

WORLD BRIEFS

Syria Rejects Charges in Paris Blast

PARIS — The Syrian Embassy Tuesday rejected accusations that Damascus was responsible for the terrorist bomb explosion off the Champs Elysées April 22 in which one person was killed and 63 were injured.

The embassy statement appeared directed against Walid Abou Zahr, publisher of the Lebanese, anti-Syrian weekly *Al Watan al Arabi*. He was quoted Monday as saying that he had evidence linking Syria to the bomb explosion carried outside his newspaper's offices.

The embassy said that "At a time when one thought that reason and common sense would win over and would make it clear that Syria could in no way be involved in the rue Marbeuf attack, the same persons who had been throwing around untruth and unbelievable information are again getting hysterical."

Spanish-U.S. Treaty Talks Falter

MADRID — Last-minute difficulties over a new defense treaty between Spain and the United States have forced U.S. Secretary of State Alexander M. Haig Jr. to cancel a scheduled visit here Tuesday, spokesman for both governments said.

A Foreign Ministry spokesman declined to give details of the difficulties but denied press reports that quoted sources close to the negotiations as saying the problems centered on U.S. use of the bases for operations with which Spain might not agree. Both sides are trying to produce agreement by Friday, when an extension to the present treaty expires. The treaty was last renewed in 1976.

Defense Rests in Spain's Coup Trial

MADRID — Spain's military trial of 32 officers and a civilian accused of staging an abortive coup last year entered its final stage Tuesday as defense lawyers concluded their case.

The hearing was adjourned until Monday but the verdicts and possible sentences are not expected until the end of this month or early in next month. The prosecution has demanded sentences of 30 years in prison on charges of military rebellion for Lt. Col. Jaime Milans del Bosch, Maj. Gen. Alfonso Aranda Comyn and Lt. Col. Antonio Tejero Molina, who commanded the Civil Guards who stormed the Madrid parliament Feb. 23 last year. Lesser sentences are being sought for the other accused.

Defense lawyers have either denied that their clients plotted a coup or argued that they believed the operation had tacit support from King Juan Carlos I. In the case of junior officers, they have argued that their clients were obeying orders. The coup attempt failed when the king disowned and denounced it.

Iranians Protected in U.S. Case

WASHINGTON — The Supreme Court Tuesday supported the State Department's refusal to tell a newspaper whether two prominent Iranians held U.S. passports.

The Washington Post made the request under the Freedom of Information Act in September, 1979, when Iran was in revolutionary ferment. The State Department refused on grounds that anti-American feeling there could endanger the lives of Iranians known to hold U.S. passports.

The Post requested State Department documents indicating whether the Iranians, Ali Behzadnia and Ibrahim Yazdi, held valid U.S. passports. Mr. Yazdi had been foreign minister under Mehdi Bazargan, who headed the provisional government formed after the shah's regime collapsed. Mr. Behzadnia had held a high post in the Ministry of National Guidance.

Chinese Floods Begin to Subside

HONG KONG — Last week's floods to the north and west of Canton have begun to subside, leaving at least 430 dead, 1.1 million homeless and 750,000 acres of farmland inundated, the Chinese news agency reported Tuesday.

The torrent also washed away 25,000 tons of stored food, destroyed 114 reservoirs, damaged 136 small power stations and wrecked 248 bridges. Most of the deaths were caused by collapsing houses in the Shaoguan area, about 100 miles (160 kilometers) north of Canton, and in Zhaoqing prefecture, about 50 miles west of the provincial capital.

Compiled From Agency Dispatches



POLISH PATROL — In a photograph made May 12, riot police patrol central Warsaw for the second consecutive day as farmers celebrated the first anniversary of Rural Solidarity.

U.S. Jury Finds Rev. Moon Guilty Of Avoiding Taxes on \$162,000

By Paul Scrafani
The Associated Press

NEW YORK — A federal court jury here Tuesday found the Rev. Sun Myung Moon guilty of conspiracy to evade taxes on about \$162,000 in personal income and of filing false returns for the years 1973 through 1975.

Mr. Moon, the 62-year-old evangelist and businessman who built his worldwide Unification Church into a multimillion-dollar organization, displayed no emotion as the verdict was read. He could be sentenced to a prison term of 14 years.

The jury of 10 women and two men delivered the verdict in U.S. District Court in Manhattan after deliberating for nearly four days following a six-week trial.

Takeru Kamiyama, 40, a top aide and co-defendant, was convicted of aiding in the tax evasion conspiracy and of 10 substantive charges involving obstruction of justice through lying and submission of false documents to block the tax investigation.

The conspiracy stems from about \$112,000 in interest earned on \$1.6 million in deposits at the Chase Manhattan Bank in accounts under Mr. Moon's name

and from \$50,000 worth of corporate shares Mr. Moon received without paying for them and failing to declare them as taxable.

The government maintained that the assets were Mr. Moon's personally and he failed to declare them. The defense unsuccessfully sought to establish that the assets, although in Mr. Moon's name, belonged to the church.

Until Tuesday's verdict, Mr. Moon and his followers had won a series of court victories, the most recent of which was a unanimous state ruling declaring the Unification Church to be a genuine religious organization entitled to tax exemption.

Before that, the U.S. Supreme Court struck down a Southampton ordinance that barred Moon followers from door-to-door soliciting. The high court also ruled in another case that a church member could sue under federal civil rights law for being kidnapped by "deprogrammers."

A prosecution witness, Michael V. Warder, a former church member, testified that when he asked whether money from accounts in Mr. Moon's name could be used for a church project, he was told: "That's father's money. That is not accessible."

The Unification Church is best known for its youthful followers, nicknamed Moonies, who seek converts on city streets. Parents of some Moonies claim that they were brainwashed and lured into the Moon camp. There have been

kidnappings of some followers by parents who sought to have them "deprogrammed."

The church claims three million members throughout the world, 30,000 of them in the United States. It has invested money in a variety of ventures, including a fishing fleet in Gloucester, Mass., and property in New York City and suburban areas.

When the trial opened April 1, prosecutor Martin Flumenbaum declared that the case was about taxes and fraud. He said Mr. Moon tried to hide \$112,000 in interest on \$1.6 million deposited in personal accounts in 1973, 1974 and 1975.

He said an additional \$50,000 on which taxes were evaded were earned in 1973 when Mr. Moon formed an import-export company and subscribed to \$50,000 worth of its stock, for which the church paid.

A prosecution witness, Michael V. Warder, a former church member, testified that when he asked whether money from accounts in Mr. Moon's name could be used for a church project, he was told: "That's father's money. That is not accessible."

Cardinal Hume said the archbishops also hope to impress the pope with "the degree of disappointment" among all Britons about the prospect of cancellation of the first papal visit to Britain since King Henry VIII broke with Rome in the 16th century. The visit had been envisioned by both Catholic and Anglican church leaders as an important symbol of their growing movement toward Christian unity.

A Gallup poll published in Sunday's editions of the *Sunday Telegraph* showed that two of three Britons want the pope's visit here to go ahead as scheduled. Those favoring continuation of the visit included 77 percent of the Catholic polled and 62 percent of Church of England members. Catholics represent about 10 percent of the population.

Cardinal Hume told a group of American reporters here Monday that this desire also has been reflected in heavy mail received by other church leaders, Catholic publications and Britain's national newspapers. He said Catholics who have been preparing for the visit for two years will feel "great frustration" if it is canceled.

Pointing out that they blame Argentina for causing the hostilities that may be the cause of a cancellation of the papal visit, Cardinal Hume said, "They feel if the pope doesn't come that he is punishing English Catholics."

Mission to Vatican

"I find myself torn," said Cardinal Hume, who spent four hours at the Vatican last Monday trying to persuade the pope to make the visit. "On balance, I believe the pope should come. This is a pastoral visit. That is what many Catholics say — this is a pastoral visit that should not be canceled for political reasons."

Catholic church sources here said they believe the pope is being advised to stay away from Britain by aides in the Vatican who are in close contact with the church in South America.

Cardinal Hume said he doubted that British bishops would try to reschedule the papal visit because of money problems. More than \$14 million has been spent on the visit so far, and about \$5 million is not covered by insurance if it is canceled. Church leaders said it would be difficult to raise all that money again and impossible to obtain insurance for another visit.

Man to Be Tried for Attack

LISBON (UPI) — Juan Fernandez Krohn, 32, will stand trial on charges of trying to murder the pope, but the proceedings may not begin for as long as six months, police said Monday.

Guinea Bissau Cabinet Shuffled by President

Reuters

LISBON — Guinea Bissau's President Joao Bernardo Vieira has taken over the armed forces and interior ministries in a major Cabinet shuffle. Portuguese state radio reported Tuesday.

Victor Saude Maria, until now vice president of the Council of the Revolution and foreign affairs minister, becomes premier, a post vacant since President Vieira seized power in a 1980 coup and ended plans for unity with the Cape Verde Islands. Samba Lamine Mane was named foreign affairs minister.

All four 1949 conventions outlaw the maltreatment of civilians, even in a "noninternational armed conflict," and this was further spelled out in the 1979 addition of a protocol. But the question is whether the unrest in Argentina

British Urge

Pope Not to Cancel Trip

U.K. Catholic Leaders Carry Pleas to Pontiff

By Leonard Downie Jr.
Washington Post Service

LONDON — Roman Catholic Church leaders here are making an impassioned plea to Pope John Paul II not to cancel his scheduled visit to Britain at the end of this month because of the undeclared war over the Falkland Islands.

Prime Minister Margaret Thatcher also said Monday night in a radio interview that she hoped "very, very much" the pope would still come to Britain. "So many people are looking forward to it," she said. "So many people have made endless effort to see him and to organize things for him."

Church leaders fear the pope will decide this week to cancel the six-day visit from May 28 through June 2 unless there is an unexpected breakthrough in negotiations at the United Nations for a diplomatic settlement. As sporadic combat continued in the South Atlantic and a British counter-invasion of the Falklands appeared imminent, the pope said Sunday at the Vatican that "the context [of the visit] can only be one of peace and serenity."

In a last-minute attempt to change his mind, the archbishops of Liverpool and Glasgow were sent to Rome Monday to argue that the pope could still come to Britain if he also announced he would visit Argentina as soon as possible, according to Cardinal Basil Hume, Catholic primate for England and Wales. They were received by the pope Tuesday.

Movement Toward Unity

Cardinal Hume said the archbishops also hope to impress the pope with "the degree of disappointment" among all Britons about the prospect of cancellation of the first papal visit to Britain since King Henry VIII broke with Rome in the 16th century. The visit had been envisioned by both Catholic and Anglican church leaders as an important symbol of their growing movement toward Christian unity.

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Naval specialists regard the *Stingray* as potentially more effective than the anti-submarine weapons aboard the ships of the British task force. But it has never been tested in combat conditions.

Yet there are some veteran naval officers at NATO headquarters as well as in London, who believe that Britain's primary weapon in the event of engagements will be the Vickers 4.5-inch gun and its 50-pound shells.

These shells brought about the surrender of the Argentine forces on South Georgia Island and, more recently, they apparently prevented the garrison on Pebble

Point from being shelled.

Merchantmen running the blockade would be of greater value to the Argentines. One tried to slip into Stanley on Monday and was immediately shelled by a British blockade. An analyst could not explain how it had evaded radar observation.

Weapons May Be Key

To Tactics of British In Falklands Dispute

By Drew Middleton
New York Times Service

LONDON — British tactics in what senior officers regard as the critical week of the Falkland Islands operation will be dictated as much by weapons, both Argentine and British, as any other military factor.

NATO analysts deduce from this that further British attacks, which they expect to range from more commando descents on isolated Argentine positions on both

NEWS ANALYSIS

East and West Falkland to a major landing on the eastern island, will be carried out under conditions that ensure adequate cover and avoid the main Argentine forces.

British commanders, one source said, would be wary of exposing either troops or aircraft to fire from Argentine surface-to-air missiles, heavy mortars and field guns. The Argentine marines, who make up part of the islands' garrison, normally are equipped with the Bantam anti-aircraft missile but the main gun that are deployed is not known.

New Torpedoes Deployed

Harrier raids have brought to action a number of 30mm anti-aircraft guns around Stanley airfield although, so far, these have been relatively unsuccessful against British aircraft.

Concern about the danger from Argentine submarines has led the British to deploy the new *Stingray* torpedoes considered by military specialists as one of the most sophisticated in service with any nation.

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The case involved the former inspector general of the Paraguayan police, Norberto Pena-Irala, who was arrested in the United States in 1979 for having an expired visa. This came to the attention of another Paraguayan, Dolly Flutig, whose brother, Jefito, died in Paraguayan prison, allegedly after being tortured by Mr. Pena-Irala.

Mr. Pena-Irala was eventually deported after the case went to the U.S. Supreme Court. But in another ruling on the same case in 1980 a U.S. Court of Appeals subsequently found that torture was a "crime against humanity" like slave-trading and piracy.

The implication, said lawyers here, was that the U.S. courts indeed have tried Mr. Pena-Irala, even though Paraguayan nationals were involved. The present case, involving Capt. Astiz is seen as even stronger because French and Swedish nationals are said to have been among his victims.

But they also feel that it could have a dramatic effect on the long efforts to draft a convention that would make torture an international crime. It was Sweden that took the initiative, in 1978. The drafting is nearing completion, but the convention suffers from a weak implementing procedure, and a shortage of concrete legal precedents.

Officials at the International Committee of the Red Cross agree that on a narrow reading the 1949 conventions are clear: Capt. Astiz is a prisoner of war, and POWs need divulge only their name, rank and date of birth. Nor can they be transferred to a third party.

Officials were less clear about whether the British can allow French and Swedish officials to interview Capt. Astiz while he remains in British custody. They were also uncertain to what extent torture and kidnapping, such as occurred in Argentina after the 1976 coup, are violations of the conventions.

All four 1949 conventions outlaw the maltreatment of civilians, even in a "noninternational armed conflict," and this was further spelled out in the 1979 addition of a protocol. But the question is whether the unrest in Argentina

qualifies as "noninternational armed conflict."

Human rights activists feel that the emerging torture convention offers a clearer guide. Under the convention, torture is a crime irrespective of where it took place and the nationality of those involved. And lawyers say there is one solid legal precedent for this.

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During a rumour lasting several hours, the church bells were rung in alarm and a threatening crowd gathered around an ultraconservative cleric who has proclaimed that the church is in heresy and has set himself up as "Pope Clement."

The crowd threw his car into the River Tormes and destroyed another car in which eight of his "bishops" had traveled to Alba de Tormes from the small sect's headquarters in Troya, southern Spain, according to the parish priest and the acting mayor of the village.

Pope John Paul II is due to visit Spain in October for the fourth centenary of St. Teresa of Avila, a 16th-century mystic and reformer.

Last week, an ultraconservative Spanish Catholic armed with a knife leapt at the pope at the Portuguese shrine of Fátima. The man who tried to attack the pope, Juan Fernández Krohn, does not belong to the Troya sect.

The reliable airline of Holland

KLM

The reliable airline of Holland

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Republicans Lack Votes To Save \$40 Billion for U.S. Social Security

By Martin Tolchin
New York Times Service

WASHINGTON — Senate Republicans leaders acknowledge they lack the votes to achieve \$40 billion in Social Security savings as part of the fiscal 1983 budget.

Their concession Monday appeared to doom a politically volatile proposal endorsed by President Reagan and the Republican-controlled Senate Budget Committee. Congressional Democrats had intended to make the Republican proposal the overriding issue of the fall elections, and White House aides and House Republican leaders had searched for ways to neutralize the issue.

Republican and Democratic senators vied on the Senate floor Monday over who would be the sponsor of a Senate amendment that would delete the Social Security provision from the budget.

House Republican leaders, meanwhile, spent the day working to create an alternative budget that would win the approval of both conservative Democrats and Rep-

ublicans. Both groups also are being wooed by House Democratic leaders, and therefore are becoming the beneficiaries of a bidding war.

Sugar price supports, favored by Southern Democrats, and assistance on home heating fuel, favored by moderate Republicans, might be bargaining chips in the House fight to win support for cuts in other areas.

Sen. Pete V. Domenici of New Mexico, chairman of the Budget Committee and the leading advocate of Social Security savings to assure the solvency of the system, acknowledged on Monday that his proposal probably would not survive election-year politics.

The budget resolution proposed a three-year savings of \$40 billion, to be achieved either through reduction in benefits or new taxes. Sen. Domenici and his Republican colleagues on the Budget Committee contend that since Social Security taxes had been increased last January and another increase would take effect next year, the savings could best be achieved through reductions in benefits.

"Probably we don't have the votes for precisely what is in the budget resolution," Sen. Domenici said. "It probably cannot pass."

He said Senate Republican leaders were working on an alternative proposal, and "hopefully it will be bipartisan and with White House support."

House Republican leaders, meanwhile, held a daylong meeting with representatives of all factions of their own party as well as with conservative Democrats in an effort to fashion an alternative to the budget adopted last week by the Democratic-controlled Budget Committee. David A. Stockman, director of the White House Office of Management and Budget, was the only White House aide to attend the meeting.

"I don't expect in the end to get the full endorsement of the president on what we may fashion," said Rep. Robert H. Michel of Illinois, the House Republican leader. "I do not want to lock my president into something he might not embrace." Rep. Michel said Monday he hoped that Social Security would be included in the budget without the savings sought by the Senate Republicans.

The chancellor told Mr. Mitterrand during weekend talks in Hamburg that he wanted to go ahead with the definition phase of the project agreed upon in 1980 with former President Valéry Giscard d'Estaing, the spokesman said Monday.

But Mr. Schmidt also informed the French leader about criticism the project has met in parliament, and no new deadline was set for a final West German decision, the spokesman added. Experts in the three major West German parties have branded the plan to build a joint main battle tank for the 1990s financially extravagant and militarily unnecessary.

Republicans Use Carter Look-Alike On TV to Link Democrats, Inflation

New York Times Service

WASHINGTON — Republicans have begun using actors who look like prominent Democrats in a \$1.7-million television advertising campaign to try to persuade the public that the Democrats caused the current recession.

In one scene a lawyer reads a will, as actors who resemble former President Jimmy Carter and House Speaker Thomas P. O'Neill Jr. look on. The lawyer recites, "To Ronald Reagan we leave a recession."

The theme of the 30-second commercial spots in almost 100 markets is that "Republicans are beginning to make things better." In one, a commercial a family leaves for a vacation while a voice proclaims this has been made possible by Republicans cutting the rate of inflation. Aside from the reference to recession, the ad do not mention unemployment.

Rep. Tony Coelho of California, chairman of the Democratic Congressional Campaign Committee, denounced the messages as a "lie," saying the economy had been growing when Mr. Carter left office. He sent telegrams to television networks and station managers warning them against the commercial.

Rep. Guy Vander Jagt of Michigan, chairman of the National Republican Congressional Committee, said a poll taken for his committee showed that "two out of three Americans today correctly identify the recession as Jimmy Carter's recession and not Ronald Reagan's." The campaign is paid for by Rep. Vander Jagt's committee and the Republican National Committee. Future advertisements, some almost ready to go on the air, will deal with such subjects as Social Security, agriculture and unemployment, he said.

Saudis Wiretapped American in Fraud Case

By Patrick E. Tyler
Washington Post Service

WASHINGTON — The head of the Saudi Arabian missile defense program in the late 1970s wiretapped a top executive of Raytheon Co., the radar concern that installed Hawk missile systems in Saudi Arabia, according to court records and knowledgeable officials.

The wiretap records were turned over to U.S. officials and led to the indictment last summer of Joseph R. Carver, a Raytheon vice president, on charges that he and another Raytheon official received a \$1-million kickback.

The kickback allegedly came from other American businessmen who were shipping modular housing for Raytheon's operations in Saudi Arabia and are also involved in the case.

Public Hearing Ordered

Mr. Carver is listed in court records as a fugitive.

U.S. District Court Judge Norma Holloway Johnson has ordered a public hearing on whether wiretapping can be used in a U.S. criminal trial.

American officials say the wiretapping was conducted in Saudi Arabia without the involvement of U.S. intelligence agencies. It was first presented to Judge Johnson in a confidential hearing last year by Justice Department prosecutors

assigned to a task force on multinational fraud.

The case is unusual because it involves Saudi detection and Saudi allegations of corruption by Americans doing business in Saudi Arabia. In the past, alleged corruption cases in Saudi Arabia have almost exclusively focused on schemes in which U.S. businesses, allegedly paid off Saudi agents to obtain multimillion-dollar contracts.

Raytheon, a Massachusetts-based military contractor, maintains that it was victimized by allegedly unscrupulous employees, according to Judith Best, the firm's lawyer in the case.

Lawyers for some of the defendants apparently have received access to the wiretap material and are challenging its admissibility on grounds that it was illegally obtained under both U.S. and Saudi law.

The prosecutors had claimed initially that taping over the wiretap material to defense lawyers would harm national security. The Justice Department would not comment.

In an opinion issued last month, Judge Johnson accused the prosecutors of using the confidential presentation of evidence to "avoid the fundamental choice of disclosing certain classified materials or dismissing the prosecution."

In ordering public hearings to consider whether the evidence should be suppressed, the judge left open the possibility for an ad-

ditional hearing. From court records, it is unclear why the wiretapping was initiated by the Saudis.

Another question raised in court papers is that of the "graymail" defense in which defendants attempt to cause the government to jeopardize classified material as a lever to make prosecutors drop the case.

Dr. Carpenter asserted, however, that his diagnosis was compatible with those of the two other defense psychiatrists who are scheduled to testify, Dr. David M. Bear and Dr. Thomas C. Goldman, and of Dr. Ernst Prelinger, a defense psychologist.

Dr. Carpenter has described process schizophrenia as a mental illness that becomes increasingly severe with age, and that involved, in Mr. Hinckley's case, gradual withdrawal from social contacts into an inner world dominated by delusions that had no basis in fact, "eccentric or bizarre thoughts" and irrational impulses to commit violent acts.

The psychiatrist cited what he said had been Mr. Hinckley's belief that his union with Miss Foster was somehow foreordained, that he was being propelled in her direction, "as the center of a major delusional system."

The psychiatrist, who is director of the Maryland Psychiatric Research Center, completed three days of testimony Monday.

Protest at Bolivia Campus

The Associated Press

LA PAZ — Military police wearing riot gear used tear gas to disperse student demonstrators here, and more than a thousand students around the country declared a hunger strike to oppose the education policies of Bolivia's military regime.

Fear of Denton's Panel Ebbs Among Liberals

Senator, Unlike McCarthy in '50s, Inspires No Witch-Hunts in U.S.

By Charles Mohr
New York Times Service

WASHINGTON — The creation last year of a Senate subcommittee on internal security and terrorism alarmed many liberals who feared it might signal a revival of the inquisitorial hunts for subversives of the 1950s.

The subcommittee chairman, Republican Sen. Jeremiah A. Denton of Alabama, at the time protested, "I am not Joe McCarthy."

The liberals' fears have since faded considerably. Sen. Denton, a retired admiral and a pilot who spent more than seven and a half years in a North Vietnamese prisoner-of-war camp, has held more than 20 hearings on international terrorism, alleged Communist manipulation of the press and the actions of Communist intelligence agencies in America. But he has not tried to summon witnesses to be interrogated on their political associations, as Sen. Joseph

McCarthy did three decades ago.

The liberals' eased apprehension about Sen. Denton seems based on a feeling that he has not developed the political drama, personal following and national attention that might excite the passions of those earlier investigations.

Without a Script

"He can't get his subcommittee off the ground," a Democratic senator said.

An official of the American Civil Liberties Union in Washington, said, "It seems to be a play without a script."

And a lobbyist for a black organization said, "We thought of picketing when he scheduled hearings on Communist control of African national liberation movements, but then decided that protest would draw more attention than the hearings."

Such views appear to be widespread, but some officials are reluctant to express them openly for fear they might goad Sen. Denton into more vigorous action.

Sen. Denton, who stirred strong national emotions when he led the first group of Vietnam War prisoners, declaring, "God

will defend his

buddies,"

has been a thorn in the side of Sen. Denton ever since he became chairman of the Senate Select Committee on Intelligence in 1981.

Sen. Denton also is considering legislation that would make terrorism itself a federal crime, thereby permitting federal prosecutions in many bombing incidents and other cases of violence.

25 Drown in North China

The Associated Press

PEKING — At least 25 persons were killed when a boat sank in the lake of a city park in Tianjin in northeast China, the local newspaper reported.

Tell the homefolks how you're getting around Europe and make a pretty fare saving on the call.

Traveling through Europe can be a moving experience—and you want to stop just long enough to tell your family and friends about it. Check out the money-saving tips below, then give them a call. It's the first-class way to reach them—at bargain rates.



Save on surcharges. Many hotels outside the U.S. charge exorbitant surcharge fees on international calls. And sometimes the fees are greater than the cost of the call itself. But if your hotel has TELEPLAN, the way to keep hotel surcharges reasonable, go ahead and call. No Teleplan? Read on!

There are other ways to save money. Save with a shortie. In most countries there's no three-minute minimum on self-dialed calls. So if your hotel offers International Dialing from your room, place a short call home and have them call you back.

And you pay for the callback from the States with dollars, not local currency, when you get your next home or office phone bill.

Save these other ways. Telephone Company Calling Card and collect calls may be placed in many countries. And where they are, the hotel surcharges on such calls are usually low. Or, you can avoid surcharges altogether by calling from the post office or from other telephone centers.

Save nights & weekends. Always check to see whether the country you're in has lower rates at night and on weekends.

Usually the savings are considerable. Now you'll get more mileage for your money.

Bell System

For reservations, contact your travel agent, any Hilton hotel or Hilton Reservation Service office in Copenhagen, Frankfurt, London, Madrid, Oslo, Paris and Stockholm.

Hilton International



**WHEN PARIS IS A PROMISE
MAKE IT HILTON INTERNATIONAL**

All the pleasures of Paris. The splendors of our dramatic Eiffel Tower view just next door. Dining that puts you on top of the world. And the sparkling touch of Hilton International service.



HILTON INTERNATIONAL. A HAVEN IN THE BUSTLE OF BRUSSELS

The timeless charm of Brussels. The unmistakable touch of Hilton International. Elegant guestrooms. Fabulous dining and dancing at En Plein Ciel. And the sparkling service that's our trademark.

Herald Tribune

Published With The New York Times and The Washington Post

Last-Chance Week?

This is billed as last-chance week in the conflict between Argentina and Britain. If the two countries cannot find their way out of the box they are in, they may find themselves engaged against their mutual better judgment in a far wider and bloodier war.

The British government is under the pressure of its own keep-the-heat-on tactics, its public opinion and the gathering South Atlantic winter to bring its full available force promptly to bear; otherwise its military option may fade, as much of its support in Europe already has faded. The Argentine junta would sit tight if it could, but it is under deepening economic duress, and its internal and international backing is unreliable in the long haul. Both countries have formidable weapons, and their pride is engaged. The relative restraint they have displayed so far shows signs of wearing thin.

In the six weeks since Argentina seized the islands, the elements of a settlement have been identified, first by U.S. Secretary of State Alexander Haig and, after the United States abandoned mediation, by UN Secretary-General Javier Pérez de Cuellar. Military withdrawal by both sides will be required, followed by the establishment of an interim government and the onset of a nego-

tiation process to determine the ultimate sovereignty of the islands, including the fate of their 1,800 residents.

Both Argentina and Britain are making a strenuous effort to assure that, if diplomacy fails, the onus will fall on the other side. But success in that effort will be cold comfort if it means further violence. Britain in particular must calculate not only the costs of a possible stalemate or defeat in a major military operation but the costs of success: These could include, in addition to casualties and damage to the fleet, the need to defend the islands thereafter, if only to demonstrate to a skeptical public that Britain had not sacrificed to regain the islands simply to turn them back to Argentina.

The Falklands affair remains one of the simpler international disputes that has come along in the postwar period. Unquestionably, a peaceful settlement is within reach, but the politicians and diplomats of both sides still have some reaching to do to grasp it. They failed to begin with by getting their countries into this fix — the British by inattention and the Argentines by overreaching. They will not be forgiven if they fail to get their countries out of it.

THE WASHINGTON POST.

The Primitive Right

The recent rightist victory in El Salvador's election present three faces: primitive, traditional and pragmatic. There's a case for U.S. collaboration with their practical wing and acquiescing in the traditional conservatism of another group. But there is no reason whatever to indulge the primitive faction, led by the bloody-minded Roberto D'Aubuisson. That some U.S. diplomats try to put a moderate face on "Major Bob" is not just misguided; it is alarming.

D'Aubuisson's party took a fourth of one million valid ballots, giving it 19 of 60 seats in the new Constituent Assembly. But those votes don't deodorize a leadership that talks of exterminating opponents and sneers at Christian Democrats as "watermelons" — green outside, red inside.

As president of the interim assembly, D'Aubuisson sees himself as El Salvador's ruler. With the votes of the more traditional right, his party has avoided the crucial second phase of the land reform championed by the Christian Democrats and some pragmatic officers who served in the recent junta.

But the interim assembly should not be conceded plenary powers. It was to draft a constitution, name a provisional government and prepare elections once promised for next year. Until those elections are held, the center of power should be the provisional president, Alvaro Magaña, and his three-party Cabinet, in which centrist Christian Democrats hold key ministries.

THE NEW YORK TIMES.

Other Opinion

Action Needed on U.S. Economy

Intervention alone cannot fight against underlying forces. But properly used it can do something to cut down the often irrational swings which occur in markets with floating exchange rates. The Reagan administration ought to open its mind to this possibility. It should also ensure that it does not end up

with a tough domestic monetary policy and a loose fiscal policy pulling in opposite directions. The signs of a compromise between the White House and the Senate Republicans on taxes in the coming years are an encouraging step in the right direction. But further progress to cut the deficit is going to be convinced if the markets are going to be convinced.

—From *The Times* (London).

LETTERS

Proud Yemenis

Regarding "North Yemen Turns to Moscow," (IHT April 24-25):

Having worked and lived for four years as economic adviser in San'a, I would like to say that the Yemen Arab Republic (wrongly referred to as North Yemen) is a very interesting old modern country, with a very sharp and proud population: it is not easy to understand them or to know their motives or intentions.

Their pride is acquired from the rugged, mountainous terrain. Their pride is drawn from their strong feeling that Yemen was the cradle of most Arab nations and that when Yemen was a fairly civilized place, with engineering capabilities, dams, beautiful mountain terraces, fairly advanced agriculture and multistory houses, most of the major countries they are now dealing with were either mostly desert (Saudi Arabia) or nonexistent (U.S.A.).

The difficulty in knowing their motives and intentions is a result of their long-imposed isolation and their skepticism of everything foreign. Superimposed on these factors are the developments since the civil war was over in 1970, followed by the emigration of a sizable number of Yemenis to the rest of the world, particularly Saudi Arabia. As a result, the Y.A.R. drew an increasing amount of foreign exchange, which became the real fuel be-

hind the prosperity it had been enjoying since about 1974.

With this and other flows from Saudi Arabia, other Arab states, Western and Eastern European countries and financial institutions, the Y.A.R. became wholly integrated into the world market and also integrated with the Gulf states, particularly Saudi Arabia.

It is perhaps in this context that the U.S.A. is failing to deal with the Yemenis, both government and people, in the way they believe proper and sensible. Instead of looking directly towards the Y.A.R., the U.S.A. is working through the web that ties the Y.A.R. to Saudi Arabia economically, financially, etc. This is the real feeling of most Yemenis. Their economy and source of livelihood may be dependent on the Gulf states, yet neither the Yemeni government nor its people will ever accept to be dealt with as a part of any other entity.

Khartoum.

A.A. ALI.

Instinct for Survival

Regarding "The Approach Must Change," (IHT, April 10):

The assertion by R.C. and E.A. Molander that Soviet leaders have the human instinct for survival is deceiving. They have an instinct for survival in power. They are parents and grandparents, but it should be remembered that Stalin repudiated his

son Yakov. They surely understand what nuclear war means: probably 60 million Russians dead. But that is the number of people they have exterminated during Communist rule. The West's margin of safety depends not only on quantity of arms, but also on the mentality of its adversaries.

JERZY SLOMKA.
Ydra, Greece.

Poor Trudeau

Regarding "Long Trip Ends for Trudeau," by Joseph Kraft (IHT, April 19): As a Canadian living in Germany I count 100 percent Poor Trudeau has been blackballed ever since I can remember.

The defeat of the Lévesque referendum by 60/40 in 1980 may be considered as the turning point for Lévesque's nationalist Party Québécois.

THOMAS P. WRIGHT.
Munich.

The Real Culprits

Regarding The Nuclear Debate — One awaits analysis of the hidden persuader: the big money lobby behind the billion-dollar-a-minute armaments industry. The real culprits must be subjected to rigorous scrutiny.

Paris. A.S. MacEOCHAI.

May 19: From Our Pages of 75 and 50 Years Ago

1907: Homespun All the Rage

ASHEVILLE, N.C. — Mrs. George W. Vanderbilt has created afad for homespun dresses by taking to homespun herself. The mountain women who made Mrs. Vanderbilt's dresses which cost her \$25 each, have been besieged with orders. Mrs. Vanderbilt's new departure is not because she prefers homespun to Paris dresses, but because she wishes to revive the almost lost art of hand spinning and weaving among the mountain women and to give them employment. Mrs. Vanderbilt appeared in Asheville a few days ago in a yellow homespun, which she seemed very proud of. She said it was her intention to send this dress, along with a Biltmore estate exhibit, to the Jamestown exhibition.

1932: Accepted Footing for India

TORONTO — Federation of all India within the framework of the British Commonwealth — not on terms of subordination, but on a mutually accepted footing of equal partnership — was named recently by Lord Irwin, viceroy of India from 1926 to 1931, as he inaugurated the Massey lectures, which are to bring annually to Canada a man of prominence from Great Britain. It will be no easy task, Lord Irwin warned, to find means by which the developing democracy of British India may be brought to cooperate smoothly with what, for the most part, still are the autocracies of the states. Mahatma Gandhi, he added, "appeals to deep forces in Hinduism, of which we know little."

The Mellowing of Reaganism: Accepting the Real World

By Philip Geyelin

WASHINGTON — Here in Personality City, where the name of the game is names — who's up, down, in or out — the fashionable wisdom now has it that Secretary of State Alexander Haig is up, Defense Secretary Caspar Weinberger is down and William Clark, the White House national security adviser, is in.

This, it is said, accounts for a certain mellowing, a new moderation and a greater measure of coherence in the Reagan administration's approach to foreign policy: arms control, for one example, East-West relations in general, the Mideast, Central America, Taiwan and other areas.

And perhaps it does, up to a point. But it strikes me that something more fundamental is at work. True, there has been a significant shift in the policy-making center of gravity in the Reagan administration, and it doubtless owes something to the artfulness (or artlessness) of the fighters. It owes something, as well, to a vast improvement in the control mechanisms installed by Clark.

But it owes far more to a sort of collective acceptance of reality. One senses a heightened recognition of the need to adjust preconceptions and powerful past predilections to fit the harsh exigencies of the real forces at work, at home and abroad: "peace" movements, economic constraints, the intractability of allies, and the intransigence of adversaries.

And this says something important about the president himself —

something that tends to get lost in the names game's preoccupation with the relative pre-eminence of his advisers. For better or worse, Ronald Reagan who came across throughout his campaign and most of his first year in office forever fixed in the concrete of arch-conservative ideology is capable of behaving like, well, other presidents — of being strong enough to bend.

A confident John F. Kennedy crashed quickly into the Bay of Pigs. Thereafter, his inaugural call to arms ("We shall pay any price, bear any burden") gave way in practice to policies better attuned to less-well-remembered passages in the same speech — those summing East and West, North and

South, to a "long twilight struggle" against "the common enemies of mankind: tyranny, poverty, disease and war itself." In office, he conceded that he couldn't find the "missile gap" that had yawned so alarmingly in his campaign.

Lyndon Johnson hit the ground running with an inherited national security team and a firm commitment to the struggle in Vietnam. He had to discover for himself that, hard as he hammered, he could not nail that Vietnam coot-skin to the wall.

Jimmy Carter's good intentions paved the road to Camp David, but also in a certain sense to the shock of discovery of Soviet malice in Afghanistan and to the collapse of American policy in

Iran. Having entered office pledged to reduce spending for defense, the Carter administration wound up doing just the opposite.

Circumstances alter cases, in short, along with untoward events, new perceptions, hard knocks, and the quite unpredictable play of politics in this country and in those with which we deal. While this is not to say that every adaptation is the right one, it does put some sort of premium on at least a capacity to adapt. That is what we are increasingly witnessing in the Reagan administration's approach to foreign policy.

Without going into the nits and bolts, the mere fact of the president's latest strategic arms control proposals, not to mention their timing, constitutes an accommodation to allied concerns and a response to the home front anti-nuclear movement as well. Scored for a year, the Camp David peace process is re-emerging as the centerpiece of the United States' Mideast policy. Progress on the Palestinian question is now recognized as essential to the development of the "strategic consensus" that preoccupied the administration in its early days of concatenation on the Gulf.

Second Look

Congress has compelled a second look at Central American strategy. Even while support for the Salvadorean rightist government is solid, diplomatic feelings go out to Nicaragua's Sandinista government for some sort of deal. Cooler heads have turned the heat off European allies to scrap their Siberian pipeline as a means of pressuring the Soviets on Poland.

Tradition and practical politics impel the administration to deny any change. But when Norman Podhoretz (in *The New York Times*) is crediting his fellow neoconservatives for a large hand in Ronald Reagan's election while (on "The McNeil-Lehrer Report") expressing his "disappointment, bordering on despair," you have to believe that the Reagan administration is abandoning some of its original true beliefs.

If being in love with Reaganism in 1980 means having to say you're sorry in 1982, there must be some reason for those of us who entertained more than a few reservations about early Reaganism to feel better.

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Facing Responsibility for Nuclear Weapons

By Flora Lewis

CAMBRIDGE, Mass. — At last, nearly four years after the dramatic signing of the SALT-2 treaty in Vienna, the United States has moved to revive the effort for strategic arms control.

It remains a matter of conjecture whether the U.S. Senate would have ratified the pact. There was never a vote. President Jimmy Carter withdrew SALT-2 from consideration when the Soviet Union invaded Afghanistan because after that the treaty would surely have been defeated.

The issue figured in the 1980 campaign. President Reagan took office proclaiming opposition to the treaty, offering plans for a major increase in nuclear forces and insisting on "linkage" tying further negotiations with Moscow to its restraint all around the world.

Cutsbacks

The Reagan administration has said all along that it would favor deep, balanced cutbacks in the awesome atomic arsenals, but there were shadowy reservations. Some senior officials made clear that they didn't trust any agreements with the Soviet Union and in fact didn't want any. In their view, an arms race was to substitute for open war an economic and technological battle that they thought the United States was bound to win, while the Soviet sys-

tem would have stopped off talks for several years until the United States could get its buildup far enough along to bargain from a position of preponderant strength.

And others, mainly at the State Department, argued that the United States had to live with the Soviet Union, that nuclear parity could not be reversed, and that arms control was more important than any local dispute.

Convictions

It is to Reagan's credit that he has finally offered negotiations and a restoration of the East-West dialogue. Every U.S. president since the time of the first nuclear explosions began with deep convictions about nuclear strategy and modified his views after a period of facing the real responsibility for using atomic weapons.

That is one of the most striking points made by the four men who, among them, served in almost every administration between Roosevelt and Reagan and who have now turned against the idea of being first to use atomic arms.

President Truman, after ordering two atomic bombs dropped to avoid a million-man U.S. invasion of Japan, came up with an atom

sharing proposal that would have stopped the race. The Soviet Union wasn't interested, because it wanted to catch up, and did.

President Kennedy, who campaigned against a theoretical "missile gap," dropped that theme once in office. When he realized what "massive retaliation" really meant, he ordered a change from that choice between holocaust and possible impotence to the doctrine of "flexible response" — the threat of nuclear war in Europe.

Presidents Johnson and Nixon made arms control agreements, and President Ford advanced the SALT-2 treaty. At each step, what had first been rejected as unfavorable to the United States came to be accepted as necessary for the safety of the world. But all the time the arsenals kept growing.

Initial Reactions

Now some initial reactions to the Reagan proposals criticize them for leaving on the possibility of continued missile production, but a "verifiable freeze" on both sides is probably beyond early reach. It is assumed negotiators can work faster than weapons builders, which hasn't happened. But they can change the direction of events.

The critics show what the noted sociologist David Riesman calls the "guillibility of the cynical." It really doesn't matter whether Reagan has been moved by new conviction, by concern about allies and Soviet propaganda games, or by domestic political pressures.

The point is that a U.S. proposal to reverse the arms race is now going to be discussed. It isn't a take-it-or-leave-it offer. The Soviet Union will surely respond with something more to its own advantage. The process will be engaged, and that is the first urgency. Arms control cannot simply be a U.S. decision; it takes two.

The debate in the United States has undoubtedly helped produce this step. It must continue, not over details of what to propose — which is infinitely complex and has to emerge in negotiation — but over the insistence that the peace race be sustained and the arms race curbed. It isn't a time to turn away with relief, or disbelief.

Now there will be something to watch, and watch closely. The Harvard scientist, Paul Doty, an expert and longtime advocate of controls, regains his influence and calls for a quarterly presidential report on negotiations. That's a fine idea, and it would help get authority and opinion going in the same direction once again.

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Spirit of Constitution Flouted by Amenders

By Joseph Kraft

WASHINGTON — An austere simplicity distinguishes the U.S. Constitution. The national charter ordains structure and procedure, but leaves social and economic questions open to constant adjustment by the higgledy-piggledy of the political marketplace.

"It is not," Alexander Hamilton wrote of the Constitution in the 34th Federalist Paper, "framed upon a calculation of existing exigencies."

"It is," Chief Justice John Marshall affirmed in *McCulloch v. Maryland*, a document intended to endure for ages to come.

That exalted measure gives the true measure of the current rage to amend the Constitution. The proposed changes would junk up the fundamental law of the land with controversial views on issues of the moment. It is astonishing such proposals could come from groups that are pleased to call themselves conservative.

The constitutional amendments now being pushed hard from the right fall into four different areas — abortion, the balanced budget, school busing and school prayer. This is the situation in each case.

Abortion is perhaps the most disputed social question in the United States today. It is a constant subject of action in both the Congress and the state legislatures. The Supreme Court, having ruled against making abortion constitutionally inadmissible, is now refining that decision, particularly with respect to payment of costs by the state. Medical technology alters rapidly that establishment of the inception of pregnancy is itself something to change over time.

The balanced budget goes to the heart of the legislative process. Nothing is more appropriately the province of the Congress than the levying of taxes and the voting of appropriations. The size of the deficits now impending stamps support for the amendment by the Reagan administration as

Mitterrand To Visit Five Africa States

Will Reaffirm Links, Define His Policies

The Associated Press

PARIS — President Francois Mitterrand will leave Wednesday on a week-long trip to Africa, during which he is expected to reaffirm French-African friendship and define his government's policy toward the continent. It will be his first trip to Africa since his election a year ago.

The trip will include a stopover for lunch with Algeria's President Chadli Bendjedid, full-scale visits in Niger, the Ivory Coast, and Senegal, and a brief stopover at Nouakchott, Mauritania, on the return trip to Paris.

"Relations [with these countries] are good, fraternal and the president is going there to reaffirm them," a spokesman for the Elysee presidential palace declared.

North-South Relations

Mr. Mitterrand intends to discuss bilateral problems and the evolution of North-South relations in general, next month's economic summit in Versailles, and the evolution of major African problems, the spokesman said.

In choosing three major French-speaking countries for his first African tour, Mr. Mitterrand also will be visiting three leaders who warmly welcomed his election May 10, 1981: Col. Seyni Kountche of Niger, Felix Houphouet-Boigny of the Ivory Coast, and Abdou Diouf of Senegal.

In Algiers, Mr. Mitterrand will meet with Col. Chadli for about three hours. They are to discuss French contracts for natural gas, the situation in the Western Sahara, problems within the Organization of African Unity, and the Middle East.

Friend for 30 Years

The French president will spend Saturday and Sunday in the Ivory Coast where he will meet with Mr. Houphouet-Boigny, a friend for more than 30 years. The French have particularly close relations with the Ivory Coast.

All the African leaders will be told of Mr. Mitterrand's plans for Third World development. The Socialist government has announced that it plans to double its aid to the Third World, particularly Africa, during Mr. Mitterrand's seven-year term. This aid is expected to attain 0.7 percent of France's gross national product, against the current level of 0.35 percent.

Security also is expected to be a major topic during the trip. France has mutual defense treaties with six African countries — Ivory Coast, Comores, Djibouti, Gabon, the Central African Republic and Senegal.

Finns Now Discussing Off-Limits Issue of Soviet Relations

By John Vinocur

New York Times Service

HELSINKI — Only a few months into the post-Kekkonen era, Finland is talking in public about things it did not really dare to mention during the 25-year presidency of Urho Kekkonen.

Mr. Kekkonen, who was succeeded Jan. 27 by President Mauno Koivisto, was a paternalistic rather than an autocratic figure, and the national debate during his presidency avoided certain subjects through an unspoken consensus.

There were zones of sensitivity, especially involving Finnish relations with the Soviet Union, and these were particularly observed during the first half of the Kekkonen era when Finland underwent two severe crises with the Russians and many Finns felt too much talk in the open could not help at all.

Now discussion has started about the future of the Finnish-Soviet mutual assistance treaty, which comes up for renewal at the end of the decade.

There is also an apparent lessening of official support for Mr. Kekkonen's proposal for a Nordic nuclear-free zone, which he had continually advocated since 1963 with the proclaimed aim of keeping the Nordic area as free of tension as possible. There seems to be more willingness as well to say that Finnish cooperation in the mutual benefits of being friends, but in referring to the

countries is just as important for the country's future as good relations with the Soviet Union.

The subjects have always been there, but their private discussion was not allowed to interfere with the impression of unity the Finns liked to demonstrate behind Mr. Kekkonen's exercise of a Finnish foreign policy of neutrality and friendship with all nations, particularly the Soviet Union.

"Under Kekkonen," said Prof. Osmo Apunen of the department of political science of the University of Tampere, "there was an artificial public consensus. Now the disagreements are out, and questioning is legitimate."

The change has something to do with the approach of Mr. Koivisto. Where Mr. Kekkonen was precise and mastered a carefully controlled brutality of expression, Mr. Koivisto likes more rounded formulations.

Mr. Kekkonen's strength was his ability to transmit authority; Mr. Koivisto, who recently went to a sports ceremony in his sweatshirt, seems for many Finns to embody tolerance, good sense and a comfortable relationship with change in general.

Mr. Koivisto showed his priorities by making his first foreign visit one to the Soviet leadership in March. He went through a classic reiteration of the mutual benefits of being friends, but in referring to the

"fundamental striving" of Finnish foreign policy, he placed "our neighbors and the Nordic countries" on the same level.

Mr. Koivisto did not mention

Mr. Kekkonen's concept of a

Nordic nuclear-free zone, a

choice noted by many Finns.

The assumption was that Mr.

Kekkonen would never have

made a direct speech in the

Kremlin without mentioning it

and that Mr. Koivisto would not have omitted the idea out of

negligence.

The significance of Mr. Koivisto's not mentioning the plan — regarded by the NATO countries as a kind of statement acknowledging Soviet strategic predominance in the area — is that it seems to be an indicator that Finland is likely to drop its active advocate's role in Scandinavia and Western Europe.

In a recent interview on Swedish television, the new president asserted that such ideas of nuclear-free zones involved the rest of Europe and the two superpowers, a way of saying that the Nordic countries could not safely embark in this direction on their own.

Mr. Koivisto also talked about problems in the Baltic Sea, an area where only the Soviet Union has nuclear weapons.

The statements were both cautious and nuanced, but they were regarded here as not of the sort that might have been pronounced by Mr. Kekkonen.

A recent interview on Swedish television, the new president asserted that such ideas of nuclear-free zones involved the rest of Europe and the two superpowers, a way of saying that the Nordic countries could not safely embark in this direction on their own.

Another Finn, a former diplomat and international civil servant, who asked that his name not be used, compared the mood in his country with that in parts of Western Europe, particularly West Germany. Just as many West Europeans have forgotten the Marshall Plan, he said, so have many young Finns come to regard the Soviet Union with rather less caution.

"This generation doesn't remember when we lived on a razor's edge," he pointed out. "The discipline of the people of my generation about what you say and do just doesn't seem necessary to them any more."

ing toward a more open climate, although slowly."

Perhaps the most interesting element in reaction to the professor's position was that it was taken very calmly. One interpretation of this is that public opinion is ready for such a discussion.

Prof. Apunen said the issue is a special one for the Finns "because we have to maintain our credibility."

Vis-a-vis the Soviets, he said, "we are in big trouble if there are doubts about it. Politically speaking, there's not much chance of a change in the pact and I don't think anyone wants it. But there is a change in approach. Previously, we all used the same words, but meant different things. We're talking more directly now."

In rough terms, the pact provides for assistance or consultation in the event of attack or threatened aggression against either country. Although the common border is enough of a lever, the pact serves as a legal basis for potential Soviet pressure in Finnish affairs.

Prof. Ancker gave a lecture in

which he said that the pact had

many advantages in times of peace, but that it meant difficulties in times of tension and absolute involvement in time of war.

He would prefer armed neutral status, rather like Sweden's, he said.

Talking to a reporter, Prof.

Ancker added: "Politically it is impossible to get rid of the pact. But I think it's a good idea to talk about it. I think we're moving



President Mauno Koivisto sits under a portrait of his predecessor, Urho Kekkonen, who led Finland 25 years.

U.S. Denies Hindering of Probes In Reported Recruitment of Nazis

By Philip Taubman

New York Times Service

WASHINGTON — The Justice Department and State Department have denied that they had attempted in recent years to impede investigations into the recruitment of former Nazi collaborators by U.S. intelligence agencies after World War II.

Responding to charges made Sunday by a former federal investigator, officials at the Justice Department declared Monday that prosecutors had been actively investigating a number of émigrés from the Soviet Union alleged to have committed atrocities on behalf of the Nazis during the war.

A department spokesman said that prosecutors in a special office created several years ago to investigate alleged Nazi war criminals living in the United States do not believe they have assembled sufficient evidence to charge any suspects.

He added, "No agency of the

U.S. government has ever attempted to call the Office of Special Investigations off any investigation."

Alan D. Romberg, a spokesman for the State Department, said Monday the department was reviewing its files in search of information relating to the charge that in the mid-1940s a secret State Department intelligence agency, the Office of Policy Coordination, recruited former Nazi collaborators from the Soviet Union in hopes of a collaboration with Nazis by individuals who eventually resettled in the United States.

Since its formation during the Carter administration, the Justice Department's Office of Special Investigations has prosecuted 26 cases involving émigrés alleged to have worked with the Nazis or to have committed atrocities, according to department officials. Nine of the prosecutions were successful, leading to the revocation of citizenship and deportation. The officials said the office has 20 lawyers and has not been trimmed by Reagan administration budget cuts.

"In the Soviet Union there are an estimated 20,000 churches open, and each year hundreds of permits are granted for new churches. Most authorities in the field say there are more practicing Christians than Marxists. However, there are clearly restrictions."

The centers, public and private,

Graham Clarifies His Comments on Church in Russia

The Associated Press

LONDON — The Rev. Billy Graham has issued a statement to clarify his remarks last week about religious freedom in the Soviet Union, where he attended a conference.

Mr. Graham said Monday there had been "apparent distortion and actual misquotes" of what he said.

The statement said in part: "Freedom is relative. I don't have freedom in the United States to go into a public school and preach the Gospel, nor is a student free in a public school to pray or a teacher free to read the Bible publicly to the students. At the same time, we have a great degree of freedom for which I am grateful."

"In the Soviet Union there are an estimated 20,000 churches open, and each year hundreds of permits are granted for new churches. Most authorities in the field say there are more practicing Christians than Marxists. However, there are clearly restrictions."

Alcoholism Among U.S. Women Shows Sharp Rise, Survey Reports

By Susan Chira

New York Times Service

NEW YORK — Alcoholism has risen sharply among younger women in the United States in the last decade and may affect many women's lives even more negatively than men's, according to a survey of treatment and counseling centers by Redbook magazine.

The survey, which received responses from 62 agencies in 28 states that have worked with more than 11,000 alcoholic women, found that excessive drinking may have more severe physical and social effects on women than on men, and that women who are alcoholics are more likely to remain undetected.

The centers, public and private, ranged from 20,000 churches open, and each year hundreds of permits are granted for new churches. Most authorities in the field say there are more practicing Christians than Marxists. However, there are clearly restrictions."

The centers, public and private,

agency officials and women who have overcome drinking problems.

The managing editor of the magazine, Jane Ciabattari, said figures gathered by other agencies supported the trends found by the survey.

Alcoholic women may develop cirrhosis faster than men, according to the National Institute on Alcohol and Alcohol Abuse. Excessive drinking may also damage women's reproductive capacity and harm unborn children.

Alcoholic women run a greater risk of rape and unwanted pregnancy, the survey found. Women are more often dismissed from jobs than men when their alcoholism is discovered, and men are more likely to abandon alcoholic wives, according to the survey.

The findings come at a time when membership of women in Alcoholics Anonymous is the highest ever and when 2 of 3 women use alcohol, according to a 1981 Gallup poll.

"Alcoholism is a real stigma for women," said Pam Miller, administrative director of the Women's Alcohol Coalition in San Francisco.

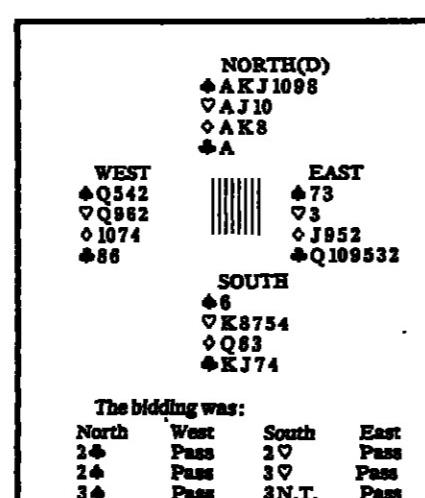
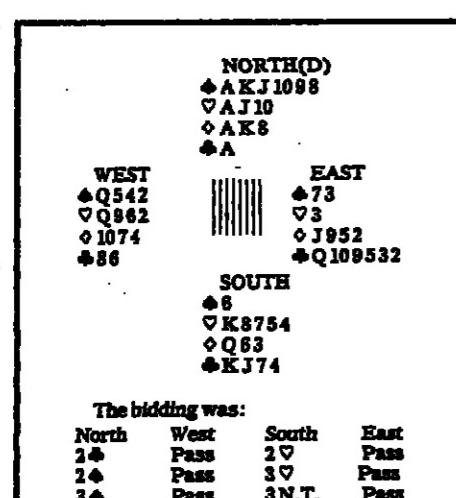
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Japan Bracing for Tough Session With Other Countries at Versailles Summit

By Ken Ishii
International Herald Tribune

TOKYO — If what French President Francois Mitterrand told the Japanese during his recent visit here is a forecast of things to come, Japan will be up against some of the strongest pressure it has yet encountered to eliminate remaining barriers to imports when major industrialized nations meet in Versailles next month for their eighth summit.

Although Mr. Mitterrand told his hosts he was opposed to denouncing Japan or placing it in the role of a defendant, it is hard to escape the feeling here that that is the position in which Japan finds itself as officials put the final touches on the case Tokyo will present.

After months of pressure from the United States and the European Economic Community to reduce its lopsided trade surplus or face protectionist retaliation, Versailles for Japan represents a political forum where it hopes to convince its peers once and for all that it is as anxious as they are to lower trade barriers in the interests of revitalizing the world economy.

This will be Japan's basic approach. In the words of official helping put together the Japanese presentation, "The summit is not a

place for detailed discussion of specific issues. The approach must be from a broader dimension. We must view the problems from the long range."

The Japanese are convinced that the answer to problems arising from Japan's trade surplus lies in the coordinated response of all of the industrialized nations in getting the world economy back on its feet. And they are confident that, sectional interests aside, others think the same thing.

The Japanese are not prepared to lift non-tariff barriers without first carrying out fundamental structural reforms in the domestic production and marketing system, particularly in the agricultural sector, without which an unrestricted inflow of foreign goods would invite economic and even political chaos.

But such restructuring would take years, without any assurance that it would succeed. Recent talk of easing restrictions on agricultural imports caused such vociferous opposition from farm interests that Premier Zenko Suzuki was compelled to state publicly that protection for agriculture would remain.

Mr. Suzuki is expected to take with him a limited list of items whose imports Japan feels

it can liberalize now. Last week, the Japanese said they would make the list public before the summit; diplomats in the West are expecting the disclosure next week.

This would be the second list since the first of 68 items announced earlier this year. But it would represent items Japan can accept more of without disrupting local industries and is primarily intended to take some of the pressure off Japan.

Causes of Recessions

The Japanese trade surplus officials here feel will remain disproportionately large without cooperative effort by all summit participants to overcome the basic causes of world recession.

The officials say remedies they favor include improving the flow of investment, particularly to regions lacking funds, the lowering of U.S. interest rates, more aid to the developing countries, technological cooperation between the advanced and developing nations and greater industrial cooperation among the major Western powers.

Toshio Komoto, director-general of the Economic Planning Agency, has said that revitaliz-

ing world economic activity will be the No. 1 topic at Versailles, and implied that reduction of U.S. interest rates would be a priority issue. Other subjects Japan wants discussed include greater efforts by Western Europe to reduce unemployment and inflation, and ways to achieve increased cooperation between the West, including Japan, and the Organization of Petroleum Exporting Countries.

Trade and Industry Minister Shintaro Abe, who will accompany the premier to Versailles, has a proposal for nine joint research projects with other summit countries in such high-technology areas as robotics, communications satellite launching and integrated digital and fiber-optic communications networks. The proposal reportedly calls for participating countries to pool a fund for projects lasting from eight to 10 years.

The premier himself is known to be studying the possibility of forming a Pacific Basin economic community to include the United States, Canada, Australia, New Zealand and Japan, and the five member countries of the Association of Southeast Asian Nations.

It has been reported that Mr. Suzuki wants to sound out summit leaders in Versailles on

the plan before formally announcing it in Honolulu en route home. He discussed the plan with Mr. Mitterrand in Tokyo, and the president was reported to have expressed strong interest.

Japanese officials feel they have already made considerable concessions in removing non-tariff barriers to trade. Although few will publicly say so, there is an undercutting of representation here that the Japanese are being penalized for the diligence and hard work that brought them economic success.

"We are not going to Versailles to make excuses," an official said.

A Changed World

Rather, the Japanese effort will be in gaining public recognition from other summit countries that trade frictions are but one of the many effects of a recession whose causes involve many countries and which can be eliminated only through a multilateral effort. Officials here say that what Japan seeks in this regard is a consensus of summit participants in clarifying the basic framework within which solutions can be given specific direction.

What the Japanese will, in effect, be suggest-

ing at Versailles is the mutual recognition of the need for a greater international division of labor in a world that has changed considerably since the first such summit.

As one official put it, "Having completed the first cycle of summit conferences, we return to France to begin the second round in a world that has become much more interdependent, a world that has since passed through two oil shocks, revolutions and other upheavals. As such, we must recognize the purpose of the coming summit, which is not to discuss subjects on a detailed, issue-by-issue basis but to exchange opinions so we can reach agreement on broad guidelines in a coordinated effort to resolve the world's problems. The question is how to arrive at a consensus on what must be done to restore vitality to the world economy."

At the early summit meetings there were some who felt that Japan was regarded as an outsider, a country not a member of the cultural "in" group as were the other six. The impact that Japan's growth in world trade has since had on the other Western economies makes it certain that this time it will command more attention.

Reaganomics May Dominate Talks

(Continued from Page 1)

of the leaders of the industrial West. Like its predecessors, it is being billed less as a forum for resolving issues than for airing them and establishing objectives in a general way.

Added to the importance of Versailles this year is the fact that Mr. Reagan will also be attending a summit of the North Atlantic Treaty Organization June 9 and 10 in Bonn, where several critical East-West issues, including nuclear arms talks with the Soviet Union, are due to be discussed. The goal of both the Bonn and Versailles summits, then, is to seek greater political and economic harmony at a time when the Atlantic alliance is straining with different perspectives, views and political pressures.

"The main focus of the trip is the re-establishment of a fundamental understanding between Europe and the United States," said Mr. Hormats. "Yes, Japan and Canada will be at Versailles. But Europe is the central element to American foreign policy and American international economic policy. No two areas of the world have a greater depth of commitment to each other. Unless you get the European-American relationship right, it's hard to get everything else right."

Because Mr. Haig wanted a high-level official trusted by the president to help advise on the summit, he asked George Shultz, Treasury secretary in the Nixon administration, who is chairman of the president's economic advisory board, to meet with leaders in Europe, Canada and Japan and report informally to the White House on his talks.

Mr. Shultz's expertise is certain

to be helpful, because the issues surrounding the summit are both complex and treacherous. Among the topics that the administration expects on the agenda are the following:

* Trade. Alarmed at what appears to be growing pressures for protectionism, the United States wants the summit to produce a renewed commitment to free trade. The administration will also seek a commitment to multilateral trade negotiations and a rejection of the

Researcher Claims Marijuana Test on Breath and Saliva

Los Angeles Times Service

LOS ANGELES A researcher says his nonprofit laboratory has developed the first breath and saliva tests to detect the presence of delta-9-tetrahydrocannabinol (THC), the active ingredient in marijuana.

Dr. Stanley Gross of the University of California, Los Angeles, said Monday the noninvasive tests developed by the independent Receptor Research Laboratory in suburban Glendale could be of considerable interest to employers, the military and law enforcement officials.

But the work is being viewed with skepticism by those who say the problems of detecting marijuana use are much more complicated than those of determining alcohol levels. And, they point out, not enough is known about which chemicals in marijuana cause impairment to the worker or driver.

bilateral agreements that have been cropping up in recent years, such as those involving the Japanese.

These objectives will be hard to obtain, U.S. officials agree, in light of the increasingly acrimonious accusations leveled between Europe and the United States over steel, farm products and other items, and between Japan and everyone else over Japanese import curbs.

* Exchange Rates. The corollary to the controversy over U.S. interest rates revolves around the European, particularly French, desire that the United States agree to the idea of intervening to help prop up sagging European currencies. The Reagan administration opposes any sort of intervention, favoring instead a greater harmonization of basic economic policies that would lead to fewer fluctuations in exchange rates.

* East-West trade. The United States, having failed to persuade the Europeans to end support of a natural-gas pipeline from Siberia to Western Europe, is hoping that the Europeans at least will endorse new curbs on future trade credits to the Communist bloc. But administration aides say the disagreement on this issue is not closer than ever to being resolved.

* North-South issues. France and Canada are expected to push again for endorsement of "global negotiations" on aid to developing countries. While the United States has said such talks might be useful, the administration fears that they might legitimize Third World demands for a greater share of the world's wealth. There may be disagreements in Versailles over the wording of the participants' support of such negotiations in the future.



IMPERIAL PARTY — TV personality Tetsuko Kuroyanagi covered her face as she laughed at a joke by Emperor Hirohito during the garden party given by the Japanese monarch Tuesday in Tokyo. The emperor's guests included Yasuhiro Yamashita, a world judo champion, third from right, and Kenichi Fukui, right, a 1961 Nobel Prize co-winner in chemistry.

U.S. Said to Tell Peking It Expects Eventual End to Taiwan Arms Sales

The Associated Press

PEKING — The United States has told China it does not expect to sell arms to Taiwan indefinitely, senior foreign diplomats reported Tuesday. The diplomats described the stand as a major show of U.S. flexibility.

The diplomats, briefed by high-level Chinese Foreign Ministry officials, said the United States stopped short of agreeing to a deadline ending all U.S. military sales to the island. None of Mr. Bush's discussions with China has called Mr. Bush's visit encouraging, but said the crisis over Taiwan still exists. Deadlocked negotiations on the problem are expected to resume in Peking late this month. They started in November.

Mr. Bush is said he was taking back to President Reagan some specific ideas from his discussions with the Chinese. But he said before leaving Peking there is no single initiative that will solve the Taiwan problem.

Washington broke formal ties with Taiwan and normalized relations with Peking in January, 1979. But under the Taiwan Relations Act passed by Congress, the United States pledged to sell defensive weapons to the Nationalists on Taiwan.

China's Communist government objects to all U.S. arms sales to Taiwan. Peking considers Taiwan a Chinese province and has repeatedly warned Washington it will downgrade official relations unless the sales stop.

China contends that all arms sales interfere with its efforts to peacefully unite Taiwan with the mainland. The Nationalists have rejected all Peking's overtures as "Communist tricks."

Mr. Reagan said in a letter to Premier Zhao Ziyang that he expected Taiwan's needs for arms to decrease as peaceful reunification is realized. The president also for the first time praised China's reunification plan, which would allow Taiwan to keep its free enterprise system and defense force.

The senior foreign diplomats quoted leading Chinese officials as saying the United States assured Peking it "will not perpetuate" arms sales to Taiwan and that such sales need not continue indefinitely.

In what the Communists called efforts to compromise, China earlier this year asked the United States to set a time limit ending all military sales to Taiwan. China reportedly asked for a U.S. agreement in principle to end sales, leaving the cutoff date and details to be worked out later.

Diplomatic observers said the latest U.S. private statement about limited duration goes a long way toward satisfying China's requirement. At the same time, they said, it preserves the U.S. commitment to Taiwan's defense needs.

Observers said that this show of flexibility, while not a commitment, bolstered the position of China's top leader, the deputy party chairman, Deng Xiaoping, and others who say U.S.-China relations are vital to China's security and economic development.

Taiwan Protests to U.S.

TAIPEI (Reuters) — The government here has protested strongly to Washington over remarks that Mr. Reagan made about U.S. arms sales to Taiwan in recent letters to Chinese leaders, the Central News Agency reported Tuesday.

The protest was accompanied by a demand that "the U.S. refrain from damaging the Republic of China's sovereignty and status," the agency quoted Foreign Minister Chu Fu-sung as saying in parliament Monday.

Kin of Seoul President Held in Loan Scandal

The Associated Press

SEOUL — A relative of President Chun Doo Hwan was arrested Tuesday on charges of bribery and influence peddling after being linked to a huge loan scandal.

The president had no comment on the latest development in the scandal in South Korea's political and financial circles. Mr. Chun came to office pledging to stamp out widespread corruption.

Prosecutors said the man arrested was Lee Kyoo Kwang, 57, younger brother of Mr. Chun's father-in-law and a former brigadier general.

Mr. Lee was charged with taking \$142,000 from his sister-in-law Chang Yong Ja to peddle his influence in favor of an Arab-Korean bank project pushed by Miss Chang's husband.

The attempt to march followed

earlier in the day in the provincial capital and a memorial service at a cemetery outside the city.

Dixie Walker, 71, U.S. Baseball Star Of 1940s, Is Dead

New York Times Service

NEW YORK — Dixie Walker, 71, the Brooklyn Dodger outfielder whose popularity with Ebbets Field fans in the 1940s brought him the nickname "The People's Chero," died Monday of cancer in Birmingham, Ala.

Mr. Walker, whose given name is Fred, compiled a .306 average during 18 seasons in the major leagues, and won the National League batting title in 1944 with .357.

Mr. Walker started his major league career with the New York Yankees, went to the Chicago White Sox, then the Detroit Tigers and was obtained by the Dodgers in 1939. In his first game as a Dodger, he singled to right field in the 11th inning to beat the Boston Braves. He had some of his best games against the New York Giants, and as a result, endeared himself to the fans and became a celebrity in Brooklyn.

Kwangju Uprising Marked

Meanwhile, a series of meetings

in Kwangju marking the second anniversary of a bloody uprising

resumed Tuesday in a demonstration

that was broken up by police.

The Yonhap news agency reported that about 2,000 people gathered at the YWCA building in Kwangju, 155 miles (250 kilometers) south of Seoul, for a memorial service sponsored by Christian

groups.

9 Czech Tourists Stay

In Scotland Illegally

Reuters

LONDON — Nine Czechoslovak tourists were in hiding in Scotland Tuesday after jumping ship from a Soviet cruise liner, a Home Office spokesman said.

The nine tourists had a one-day permit to visit Edinburgh Monday, but failed to return to the liner Estonia by the time it sailed from the port of Leith Monday night, a spokesman said. He added that they had earlier applied to immigration officials for permission to stay longer but this had been refused.

DEATH NOTICES

INSLEY, TED

Beloved husband of Sally Insley and father of Clare and Guy Insley, died on May 15, 1982, at home. The service will be held Saturday, May 21, at 1 p.m. at St. Mary's Catholic Church, Weybridge, Surrey, England.

Dr. Stephen VARROO, Jr., ecologist died in Paris on May 13th, 1982.

Jennie M. Walker

BARBOURVILLE, Ky. — Jennie M. Walker, 93, one of the first women in the nation to be elected a sheriff, died Monday after a long illness. She was elected sheriff of Knox County in the early 1930s.

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EVERYONE SAID SMALLPOX WAS INCURABLE, EVERYONE BELIEVED TB WAS INCURABLE, EVERYONE THOUGHT POLIO WAS INCURABLE, HOW LONG WILL MULTIPLE SCLEROSIS BE INCURABLE?

Multiple Sclerosis is a merciless, crippling disease which attacks the central nervous system. And we still haven't found the cause, let alone the cure.

How long it will take depends on the researches of the various MS Societies throughout the world. But they themselves depend almost entirely on voluntary contributions. So, ultimately, it rather depends on you.

Please help your national MS Society to bring the day of the cure a little closer.

HELP YOUR NATIONAL MS SOCIETY FOR THE WHOLE WORLD'S SAKE.

International Federation of Multiple Sclerosis Societies, Stubenring 6, A-1010 Vienna, Austria.

THE NEW YORK HERALD

EUROPEAN EDITION OF THE NEW YORK HERALD TRIBUNE

PARIS, WEDNESDAY, APRIL 19, 1982

FRANCE, 10 FRANC. SWITZERLAND, 15 FRANC. GERMANY, 10

BUSINESS / FINANCE

WEDNESDAY, MAY 19, 1982

Page 9

BUSINESS BRIEFS

K mart Quarterly Earnings Off 83%

TROY, Mich. — K mart, the second-largest U.S. retailer after Sears Roebuck, reported Tuesday that its first-quarter earnings had fallen by 83.1 percent.

The company blamed the weak economy and exceptionally bad weather. Net income declined in the first quarter to \$5.85 million from \$34.6 million a year earlier. Sales were \$3.6 billion, up 8.1 percent from \$3.3 billion in the 1981 quarter.

K mart's chairman, Bernard M. Fauber, said the company will open 65 to 70 new stores this year, down from 171 in 1981 and 199 in 1980. It also plans to modernize some stores.

Du Pont Closes Part of Fiber Plant

WILMINGTON, Del. — Du Pont is planning to close permanently part of a Chattanooga, Tenn., plant that produces textile nylon fiber, the company said Tuesday. It said 500 jobs will be eliminated within 90 days and another 500 will be cut in the next two years.

The closing affects 65 million pounds of production capacity that the company said has become obsolete. The plant, which employs about 2,800 workers, will continue to produce other nylon fiber products, Du Pont said.

AT&T Exchange Has New Features

NEW YORK — American Telephone & Telegraph has announced new features for its Dimension private branch exchange system that, among other things, will enable businesses to regulate office energy use, to tie in up to 25,000 stations, conduct phone conversations and transmit computer data on the same line.

An AT&T official said Tuesday that the new features makes the Dimension system "the most functionally advanced system on the market" and said additional features would be announced later in the year.

Deutsche Bank Ready for Expansion

COLOGNE — Deutsche Bank will not hesitate to increase capital when credit demand revives, shareholders were told Tuesday. Wilfried Guth, the joint management board spokesman, said the bank wanted to assure room for expansion.

Mr. Guth was optimistic about results for the year, but would not be more specific. He said the credit volume of the parent bank fell slightly in the first quarter.

2 Canadian Security Firms to Merge

WINNIPEG, Manitoba — Richardson Securities of Canada has agreed to merge with the Greenshields brokerage house. Richardson is buying Greenshields' equity interest, said a Richardson spokesman, who gave no amount for the transaction.

The merger is expected to be completed by 1983, the spokesman said. Richardson employs about 1,100 people and Greenshields about 900.

The spokesman said there would be some consolidation of sales branches, but that most offices would be continued in major cities. Headquarters will be in Winnipeg.

E.F. Hutton, which has a 10-percent equity interest in Greenshields, will not have any interest in the merged firm, the spokesman said. The brokerage business in Canada has been hard hit by the recession, and Greenshields imposed a 10-percent pay cut on employees in February.

Belgian Mine Firms Consider Merger

BRUSSELS — Cie. Asturienne des Mines and Mines et Fonderies de Zinc de la Vieille Montagne said Tuesday that they are considering a merger. They said that studies to be conducted with Union Miniere will evaluate the prospects for a merger.

Union Miniere has a 28-percent stake in Vieille Montagne and a 26-percent share of Asturienne. The latter had a net profit in 1981 of 133.7 million Belgian francs (\$30.08 million) compared with 743.4 million in 1980. Vieille Montagne's 1981 results have not been published. Its net profit in 1980 was 98 million francs.

India Seeks Bids for Steel Project

NEW DELHI — The government will invite foreign suppliers to bid for contracts for various parts of a steel plant to be built in eastern India, Steel Ministry officials said Tuesday.

A contract with Davy McKee of Britain to build the \$2.8-billion plant in Orissa state was canceled last week after the company said it would be unable to undertake the construction and could only supply the equipment, officials said.

Compiled From Agency Dispatches

Subroto Sees Oil Demand Rising Soon



more than 15 percent of OPEC's total daily output.

Warning on U.K. Oil Development

LONDON (Reuters) — Britain is jeopardizing the future development of North Sea oil fields through its high taxing levels, an all-party parliamentary committee said Tuesday. It called for major changes in tax policy.

"I don't think there will be a change in the official price of OPEC," he said, before entering a closed-door committee session.

The committee, comprising Mr. Subroto and the oil ministers of Algeria, Venezuela and the United Arab Emirates, is expected to recommend extending the production ceilings OPEC members agreed to at an emergency meeting two months ago in Vienna.

Spring Meeting

The 13-nation organization will consider the recommendation Thursday, when it holds its regular spring meeting in Quito, Ecuador.

Earlier, sources said OPEC will not lower its prices this year. The sources said the organization had concluded that the world oversupply of oil would end this summer and that prices would remain near current levels. Standard Oil of California forecast recently that the glut should be absorbed by July 1, and that OPEC production is likely to pick up afterward.

The Vienna agreement to limit total OPEC production to 17.5 million barrels per day came as world oil prices were tumbling and oil sales by some cartel members were rapidly declining. Since then, prices on the open market have recovered to near the level of official OPEC contract prices.

Manal al-Oteiba, the president of OPEC and the oil minister of the United Arab Emirates said Monday that current OPEC production is "something like" 15 million barrels per day, about half its peak output three years ago. He also said OPEC was committed to restricting its production to keep prices from falling.

One of the biggest uncertainties facing OPEC is economic recovery in the United States and Europe.

Marc S. Nan Nguema, the car-

tel's secretary-general, said, "OPEC has the impression that the American economic recovery has been delayed." The United States buys

Brock Urges North-South Trade Talks

WASHINGTON — The United States has proposed a new round of talks aimed at improving trade relations between the world's rich and poor nations, U.S. Trade Representative Bill Brock announced Tuesday.

In outlining the U.S. proposal, Mr. Brock told the National Press Club that less developed countries should provide greater access to their markets in exchange for lower tariffs on their exports to the developed countries.

"I have asked our trading partners to consider calling for a North-South round of trade negotiations in GATT (the General Agreement on Tariffs and Trade)," he said.

Preferences Lost

He said the United States would support a new "third tier" of tariffs within the GATT for newly industrialized nations.

Currently, less developed countries are entitled to lower tariffs for many of their exports under the Generalized System of Preferences mechanism (GSP). But, as their competitiveness grows, the preferences are lost for certain products and the poor nations become subject to the same tariffs levied on developed countries.

According to a U.S. Trade Office official, Washington envisions a middle level of tariffs for less developed countries no longer eligible for GSP treatment.

In exchange, Mr. Brock said, "It's time we began to negotiate away some of the barriers to trade in the developing world."

"Developing countries currently are conducting their trade and trade-related policies largely unfettered by multilateral discipline," he added.

Positive Response

The Trade Office official said the United States has discussed its proposal with its major trading partners and received a generally positive response. But some of the developed nations "are concerned about how this would affect their own competitiveness," he acknowledged.

On another issue, Mr. Brock said so-called reciprocity legislation, which would require the United States to restrict imports from countries that discriminate against American goods, is not necessary. He said that international agreements already provide adequate recourse to correct trade discrimination.

But he said he would welcome legislation that would give the administration more flexibility to deal with trade discrimination in the field of services.

Analysts Say

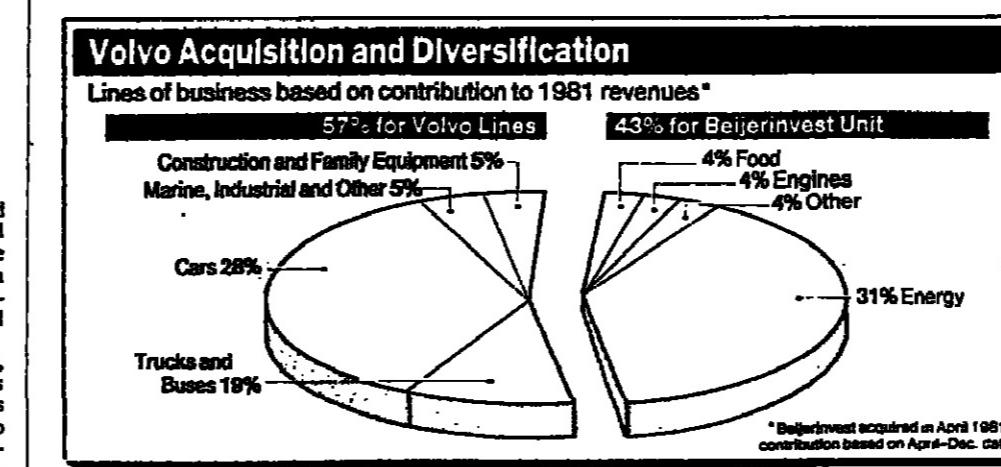
Analysts said the market's weakness reflects pessimism over the direction of interest rates. The federal funds rate, charged on overnight loans between banks, has held firm at about 14.5 percent since Friday

despite a slight moderation in the growth of the money supply.

Analysts said stock prices also came under pressure from the Commerce Department's report of a 6.4-percent drop in April housing starts and a revision in March starts to a decline of 0.4 percent from the originally reported rise of 2.5 percent.

Chase Manhattan fell \$3.25 in active trading, closing at \$48.75.

The bank holding company said claims may be filed against it in



Volvo Reduces Reliance on Cars

By John Vinocur
New York Times Service

GÖTEBORG, Sweden — Volvo, Scandinavia's biggest company, is approaching auto manufacturing as, if over the long term, the company realized that almost everything else it does has greater potential than making cars.

In 1971, about 75 percent of Volvo's revenue involved autos. Now it is about 25 percent. Oil trading, a Volvo activity since the Scandinavian trading company Beijerinvest became part of the Volvo group last year, accounted for greater sales in 1981 than cars did. And the group's food-processing companies represented greater volume than the bus division.

Volvo had total sales equivalent to more than \$8 billion last year. Its pre-tax income amounted to \$242 million. The company employs 76,100 people, 19,500 of them outside Sweden.

Volvo is still, determinedly, an industrial enterprise. But at the same time, moving money and oil around through Beijerinvest is the largest single item on last year's balance sheet.

The company, after a profitable year, is not deep in an identity crisis. Yet Bo Ekman, Volvo's senior vice president for finance, talks quite eagerly about further reducing automobile manufacturing's share of the group's overall activities.

"I haven't sensed a change in corporate mood since we took in Beijerinvest," he said. "We don't

define ourselves as a conglomerate or a detached investor; we are an industrial group for whom quality and technology are very important."

"If cars represented 15 percent of business in time that would be great," he added. "It would mean a very nice kind of development in other areas; I don't foresee a major expansion in manufacturing capacity."

Volvo's doubts about the automobile business began a decade ago when, Mr. Ekman said, the company became convinced "not to get cornered, not to get landlocked" in cars. The next 10 years were a time of working on changes corresponding to Swedish realities: extremely high production costs and a tiny domestic market.

Some of the decisions were obvious, such as concentrating on trucks and buses, where the competition was thinner, and aiming car production at a very sharply defined segment of the market — the upper-middle-class family car.

It was also a time of attempting to broaden the privately owned group's base and generate capital. An attempted merger with Saab-Scania, another Swedish motor vehicle maker, fell through as did a deal that would have made Norway a major Volvo partner.

The Beijerinvest operation was completed in April, 1981. Officially, it was Volvo paying \$405 million to acquire a company with extensive inter-

(Continued on Page 11)

Chase Discloses Risk Of 'Significant Claims' On Securities Loans

From Agency Dispatches

NEW YORK — A small government securities firm that reportedly has suffered heavy losses may expose Chase Manhattan Bank to "significant claims," the bank said Tuesday.

Chase disclosed that the firm is unable to pay \$160 million in interest owed by the securities firm.

Chase did not identify the firm, but sources said it is Drysdale Government Securities Corp. of New York. Government bond market sources said they believe several major brokerage firms had been involved in lending securities to Drysdale.

The firm's troubles prompted fears that liquidity will be tight in the government securities market. Late Tuesday, the Federal Reserve announced that it was ready to assist commercial banks in meeting unusual credit demands related to debt market problems.

The news also helped depress share prices. Chase shares fell \$3.25 in heavy trading and closed at \$48.75.

The size of the interest bill indicates that the amount of securities involved is large, analysts said.

Short Sales

Wall Street sources said Drysdale had lost heavily on government securities. They said the firm took as much as \$4 billion in short positions, selling borrowed securities with the hope of being able to replace them later at a lower price.

Richard Taffe, president of Drysdale, conceded that the firm "had a problem" but refused to comment further.

Chase said it had a "significant" volume of transactions processed

through the securities services division of its institutional banking department which were related to borrowings and loans of securities by the securities firm.

When the Drysdale said it could not meet interest payments on the borrowed shares and did not make a public statement, "Chase, as the processor, felt obligated to do so," a spokesman for the bank said.

Chase said it is unable to accurately assess the extent of the claims that may be made against it. Other firms that have been involved in transactions relating to the securities firm's activities have asserted that Chase is liable for losses they may sustain, the bank said. But Chase added that it does not consider itself liable for the potential losses.

In response to an inquiry, a spokesman for Merrill Lynch said that in the normal course of business it has loaned securities to Chase Manhattan and that some of those securities could have been loaned by Chase to Drysdale. The spokesman added: "We have numerous satisfactory relationships with Chase Manhattan Bank. In this instance, we have dealt with Chase, and we expect that they will honor their obligation to us," he said, adding that the obligation is not material.

The spokesman said Merrill Lynch had no direct dealings with Drysdale Government Securities.

A spokesman for Goldman Sachs said his firm has had securities dealings with Chase and expects the bank to "meet its obligations as they always have in the past."

Salomon Brothers, one of the firms that sources said may have been involved, said it had no comment on the matter.

On the credit markets Tuesday, dealers said, traders were hesitant to take positions because of the uncertainty surrounding Drysdale. Bond prices were little changed in early trading.

Drysdale Securities Corp., a dealer in bonds and options, has a small holding in Drysdale Government Securities, but a spokesman for the former said the two are separate entities. The president of Drysdale Securities Corp., Peter Wasserman, said any financial problems of Drysdale Government Securities would have no bearing on his company.

CURRENCY RATES

Interbank exchange rates for May 18, 1982, excluding bank service charges.

	5	10	30	100	500	1,000	5,000	10,000	50,000	100,000	500,000	1,000,000
U.S.	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Amsterdam	2.9285	4.888	11.127*	24.487	12.005	3.741	16.995	35.003	138.04	32.770	163.00	322.00
Brussels (a)	4.97	70.005	161.005									

Banks Agree To Argentine Debt Proposal

By Robert J. Cole
New York Times Service



NEW YORK — Argentina's finance minister, Roberto Alemann, says he has received assurances from international bankers that they will continue to roll over Argentina's short-term debt until the Falkland Islands dispute is over.

Banking sources said they would go along with the Argentine request because, as one put it, "There's no other way."

"Interviewed by telephone Monday in New York before he returned home after a trip that included a stop in Zurich, Mr. Alemann said that \$700 million of debt had been paid off this year and that payments are continuing as they come due. The total debt was estimated at \$35.7 billion at the end of 1981."

Mr. Alemann said Argentina has asked the banks to "maintain the exposure they have, that they roll over their credits until Argentina can go to market with syndicate loans." Asked when that might be, he replied, "When the conflict is over."

The minister said that Argentina is trying to substitute \$3.5 billion in medium-term debt for short-term debt now outstanding and that by early April, when Argentina invaded the Falklands, more than a third of the substitution had been completed.

He added that if the conflict is resolved diplomatically, the balance of the \$3.5-billion goal is expected to be arranged quickly by returning to the market with syndicate loans." If the conflict continues, he said, Argentina would need time for a return to the market.

Meeting at the Argentine Consulate in Manhattan with 69 bankers from the United States, Canada and Japan, Mr. Alemann said his government's economic program — calling for a reduction in the federal deficit, a return of

COMPANY REPORTS

Revenue and profits, in millions, are in local currencies unless otherwise indicated.

Japan

	Kumogoto Gumi	1981
Revenue.....	192	1981
Profits.....	279.54	253.70

Teljin

	1982	1981
Revenue.....	440,076	449,730
Profits.....	5,260	6,020

Netherlands

Akzo

	1982	1981
Revenue.....	3,710	3,530
Profits.....	25.7	29.1

Per Share

United States

Carnation

	1982	1981
Revenue.....	804.7	832.4
Profits.....	52.79	48.87

Per Share

Dresser Industries

	1982	1981
Revenue.....	1,160	1,180
Profits.....	63.00	76.30

Per Share

Hewlett-Packard

	1982	1981
Revenue.....	94.00	87.00
Profits.....	0.76	0.57

Per Share

K-Mart

	1982	1981
Revenue.....	3,640	3,570
Profits.....	5.90	3.46

Per Share

Lucky Stores

	1982	1981
Revenue.....	1,840	1,690
Profits.....	15.8	20.1

Per Share

Europeans Favor Delay in Raising Export Loan Rates

By Robert

BRUSSELS — Finance ministers from the European Economic Community have proposed to delay until mid-June plans to raise export credit rates, according to Egon's finance minister, Willy de Clercq.

Britain and France, among others, are strongly opposed to some aspects of the compromise plan to raise rates for government-backed export credits.

The plan, put forward by Sweden after a conference earlier this month failed to produce an agreement, calls for rates higher than those favored by most EEC nations but lower than those sought by the United States. Japan and the United States have expressed support for the plan. France and Britain, however, object to the way the proposal would raise the rates while also reclassifying many developing countries into categories that would mean they would pay still higher rates.

Speaking to reporters after an informal ministerial meeting Monday night, Mr. de Clercq said the EEC Commission will be asked to sound out opinion in other major industrial countries on the scope for revising the plan.

The current accord on export credits expires at the end of May.

New IBM Display Writer

By Robert

RYE, N.Y. — International Business Machines will introduce an entry-level display writer system selling for \$6,760, including a software license fee, the company said Tuesday. Previously, IBM said, its lowest-priced display writer system sold for \$8,245.

EEC Official Sees 'Blood on Floor' If the U.S. Slashes Steel Imports

By Jane Scaberry
Washington Post Service

WASHINGTON — A high-ranking European Economic Community official has warned the United States that its tough talk about possible trade sanctions against European steelmakers could have serious repercussions, possibly including rioting by Europe's unemployed.

The official, who asked that his name not be used, told reporters Monday that he was speaking on behalf of the EEC. While not threatening direct retaliation against the United States by Europe, he said U.S. actions could lead to "a lot of blood on the floor" politically.

If the Reagan administration takes drastic measures against foreign steelmakers, European officials may feel pressure to take action on U.S. farm products, for example, or the Domestic International Sales Corp. system, which allows U.S. companies overseas to defer certain taxes indefinitely.

The Commerce Department said

dy, but last year agreed to drop the complaint temporarily. The EEC official said pressure may build to renew complaints against the system.

The official was particularly critical of the decision last week by Commerce Secretary Malcolm Baldrige to consider imposing retroactive duties on any foreign steelmakers found to have violated trade laws. Mr. Baldrige, who is under pressure from the steel industry and Congress, said he may invoke an untested section of the Export Administration Act of 1979, allowing him to impose penalties retroactively by up to 90 days.

The department is expected to make preliminary findings next month on 55 complaints by U.S. steel jobs to the United States total \$2 billion a year. Since 1974, 250,000 steel jobs have been lost in Europe. The official warned that a harsh U.S. move could cause riots in Europe and noted that 10,000 unemployed steelworkers in Brussels already have held protests.

Volvo Reduces Reliance on Cars

(Continued from Page 9)

state-run industries to the private sector and lower inflation — has been slowed by the Falkland crisis but is still "moving ahead."

He said that Argentina's president, Gen. Leopoldo Galtieri, would not take action on any of the state-run industries "while the conflict is on."

Anders Wall, the man behind Beijerinvest, was made chairman of the board of Volvo, while Pehr G. Gyllenhammar, who had been president, was given the titles of chief executive officer, managing director and chief corporate spokesman.

"Either you change with a hatchet, or you change by evolution," Mr. Ekman said. "This is more evolutionary; you could say our development is partly circumstantial and partly willed."

Truck production currently provides more profit than automobile manufacturing for the company. Volvo now makes about 300,000 cars a year and has brought out a new top-of-the-line model in Eu-

rope, an American-looking sedan called the 760GLE, which it will introduce in the United States this fall.

The car division had a bad experience with its less ambitious 340 series, which has lost the equivalent of \$119 million.

The United States, where sales

have increased, is now Volvo's most important market. Business in West Germany, another important target, has declined, however.

But everything has gone up in the truck market, where Volvo doubled its production during the 1970s. In spite of the diminished size of world sales, Volvo increased its share last year after a record year in 1980. It now outsells Daimler-Benz in Britain and is close in France, Italy, the Netherlands and Portugal.

The big Volvo effort on the truck market came last year, with its purchase of most of the White Motor, the American

truck manufacturer, for about \$70 million. "To be a survivor in the truck market, we had to get into the United States," said Sten Langenius, president of Volvo's truck division.

"It would have taken too long and been too difficult to go another way."

Mr. Langenius' goal is to push Volvo White Truck to a 10-percent share of the U.S. market from its current 5.8 percent. Volvo will make heavy use of the New River Valley, Va., plant taken over from White, but Mr. Langenius said it would not make much sense to manufacture engines and gearboxes anywhere but Europe.

The Volvo truck division's vigor has a parallel in Volvo buses, where it calls itself the second-biggest exporter next to Daimler-Benz. Now, Volvo has made up its mind to enter the American market. It has two buses being tested by New Jersey Transit, and will enter bids in various places soon.

The long-term plans, depending on acceptance and volume, would involve building bodies at Volvo's Chesapeake, Va., plant.

The decision was intended to "penalize sudden foreign steel imports" into the United States allegedly made in an attempt to beat the imposition of an import ruling next month. Mr. Baldrige said the retroactive clause "serves notice on importers and foreign suppliers that we will not allow the law to be flouted."

The EEC official said "it is in the interest of the United States not to be too extreme in interpreting" subsidies law in regard to the case. The official denied, however, that the Europeans are asking for special favors from the Reagan administration. He said U.S. officials should consider the international effects of their actions against trading partners.

The steel issue is critical in European countries, whose steel sales to the United States total \$2 billion a year. Since 1974, 250,000 steel jobs have been lost in Europe. The official warned that a harsh U.S. move could cause riots in Europe and noted that 10,000 unemployed steelworkers in Brussels already have held protests.

We acted as financial advisor to Heico Gesellschaft für Auslandsbeteiligungen AG in this transaction.

Heico Gesellschaft für Auslandsbeteiligungen AG

has sold

563,540 Shares of Common Stock of

Wm. E. Wright Co.

to

Wm. E. Wright Co.

We acted as financial advisor to Heico Gesellschaft für Auslandsbeteiligungen AG in this transaction.

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May 1982

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REPRESENTATIVE OFFICES

MIAMI — Burger King, a unit of Pillsbury, said Norman Brinker will succeed Louis Neibis as chairman and chief executive officer, effective June 1. Mr. Brinker is president of Pillsbury's restaurant group.

ARAB GULF BUILDING,
El Sour Street,
PO. Box 2374, Kuwait
Telephone: 421390 Telex: 23641ACSAKT

September 1982

20 Monday

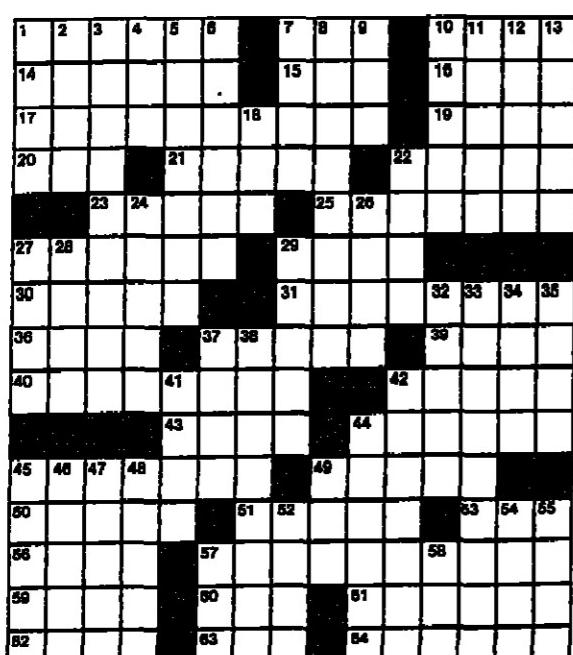
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CROSSWORD

Edited by Eugene T. Maleska

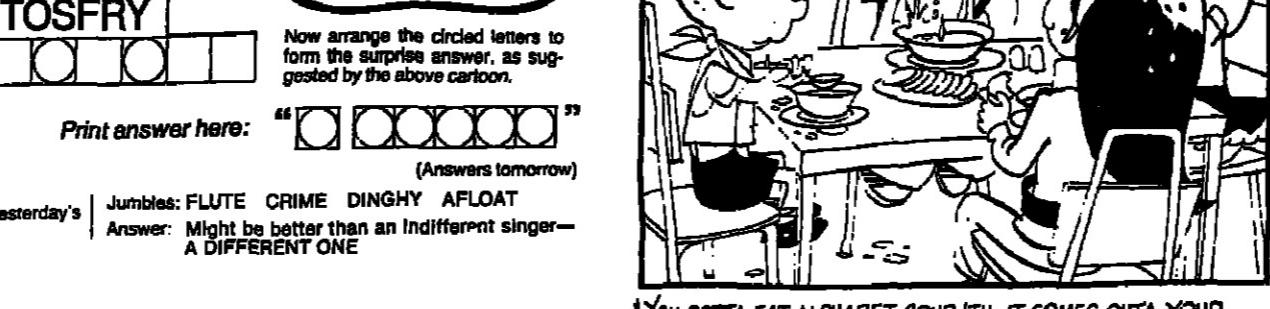
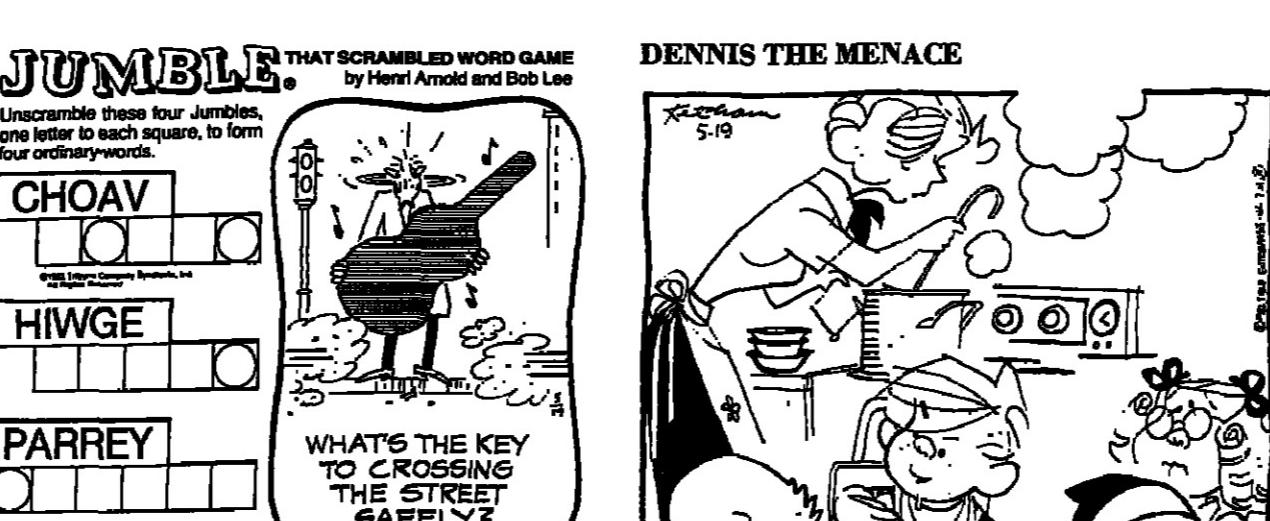


ACROSS

- 1 Office worker's fastened
- 2 Word of a load of bricks
- 3 Glorious noise-maker at St. Mary's
- 10 More uncouth
- 11 More, to
- 12 Marlin
- 13 Weird-sounding lake
- 17 Unwelcome words on an envelope
- 19 Lovers'—
- 20 Dylan is one
- 21 Allocated
- 22 Far from fresh
- 25 Captivates
- 27 Massenet opera
- 29 Angry fit
- 30 A Islamese
- 31 Approaches
- 33 Use an iceman's pair
- 37 Took
- 38 Robust
- 40 Declared
- 42 Shade of brown
- 43 Romanian capital
- 44 Island, U.S.M.A.
- 45 training base
- 46 Sedan shelter
- 47 Corporate channel

DOWN

- 1 Placebos
- 2 Solomon Islands
- 3 settlement
- 5 Certain Europeans
- 6 Grind
- 7 Change
- 8 Springboard activity
- 9 Ant of a worker caste
- 10 Flurry
- 11 Riches
- 12 Born
- 13 Brazilian port
- 14 Kite
- 15 Flaming's "Lady"
- 16 General Eater



WEATHER

HIGH	LOW	HIGH	LOW
CLOUDY	CLOUDY	LOS ANGELES	CLOUDY
51°	46°	MADRID	51°
AMSTERDAM	52°	MANILA	52°
50°	45°	NEW DELHI	52°
50°	45°	NICE	52°
BANGKOK	50°	OSLO	52°
50°	45°	PARIS	52°
BELGRADE	50°	PEKING	52°
50°	45°	PRAGUE	52°
BERLIN	50°	REYKJAVIK	52°
50°	45°	RIO DE JANEIRO	52°
BOSTON	50°	ROME	52°
50°	45°	SAO PAULO	52°
BRUSSELS	50°	SEOUl	52°
50°	45°	SINGAPORE	52°
BUCHAREST	50°	STOCKHOLM	52°
50°	45°	TAIPEI	52°
BUENOS AIRES	50°	TEHRAN	52°
50°	45°	TOKYO	52°
CAIRO	50°	TUNIS	52°
CAPE TOWN	50°	VENICE	52°
CARACAS	50°	VIENNA	52°
CHICAGO	50°	WASHINGtON	52°
COPENHAGEN	50°	ZURICH	52°
COSTA DEL SOL	50°		
50°	45°		
DAKAR	50°		
DUBLIN	50°		
EDINBURGH	50°		
FLORENCE	50°		
FRANKFURT	50°		
GRENADA	50°		
HARARE	50°		
HELSINKI	50°		
HONG KONG	50°		
HONOLULU	50°		
ISTANBUL	50°		
JERUSALEM	50°		
LAS PALMAS	50°		
LIMA	50°		
LISBON	50°		
LONDON	50°		

Readings from the previous 24 hours.

ADVERTISEMENT
INTERNATIONAL FUNDS

May 18, 1982

The net asset value quotations shown below are supplied by the Funds listed with the exception of some funds whose quotes are based on issue prices. The following margin symbols indicate the type of quotation supplied: (n) net asset value per share; (a) average price; (m) market price; (r) regular price.

BANK JULIUS BAER & Co Ltd SF 70,245
(1) Bond Fund SF 75,000
(2) Bond Fund SF 75,000
(3) G Fund SF 75,000
(4) Bond Fund SF 75,000
BANK VON ERNST & Co AG PB 3622 Bonds SF 71,220
(1) CEF Fund SF 71,220
(2) Bond Fund SF 71,220

BRITANNIA PO Box 271, St. Helier, Jersey
(1) Jersey Growth Fund SF 9,000
(2) Jersey Gift Fund SF 7,500
(3) Jersey Fund SF 7,500

UNION BANK OF SWITZERLAND SF 72,550
(1) Bond Fund SF 72,550
(2) Bond Fund SF 72,550
(3) Bond Fund SF 72,550
(4) Bond Fund SF 72,550
(5) Bond Fund SF 72,550
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OBSERVER

Suited Up for Disaster

By Russell Baker

NEw York — I had a tailor make me a suit of lead. "Surely you jest," he said when I ordered it.

"My good man," said I, "you are obviously numb to the government's insistence that Americans gird themselves to survive the thermonuclear holocaust. A lead suit will be essential afterwards to withstand the radiation while we rebuild the country."

He shrugged. "It's your money. You want two seats? Cuffs on the pants? Double-breasted?"

He needed three weeks to do the job. Meantime I studied the civil defense evacuation plan drawn up by the government for my survival. When the red flag went up I was supposed to get my gas tank, pack a lunch and drive out of New York to a town called Kehoe just south of the Canadian border.



Baker

license, but rather than stand trial, I decided to post bail and skip town. I didn't want the thermonuclear holocaust to catch me sitting in the clink waiting for some judge to remember me.

Fortunately, the cops had let me keep my suit when they locked me up since, as the turnkey explained, there weren't enough men in the station house to lift it, and anyhow he'd never heard of a prisoner hanging himself with a lead vest.

After making bail, I had a tow truck haul me home and hoist me in behind the steering wheel of my car and, with a cry of, "Goodbye, Gotham! Hello, Kehoe!" I turned the key and stepped on the gas.

When I had the pedal all the way to the floor and still hadn't moved more than six inches the tow-truck driver said, "You got too much weight in that car. If you chuck the coat and vest you might make it as far as the next corner without using more than five gallons of gas."

Getting only one-fifth of a block to the gallon, I figured, it would cost me close to \$50,000 in gasoline to get to Kehoe. "That's about right," said the tow-truck man. "Of course, for oil, say \$1,500, I might be willing to tow you to Kehoe."

Following instructions, he delivered me to the general store in Kehoe. Ma Crownshield who ran it, scowled when she saw me being hoisted toward the porch.

"If you're one of those 400,000 New Yorkers they're sending up here because the thermonuclear holocaust has started," she said. "I'll tell you right now, I don't put up with any muggings or that marijuana grass, and I want any graffiti on the town clock."

* * *

"Bless you, Ma!" I cried. "And you will bless me when the radiation is upon us and I let you wear my lead jacket when you have to go to the well."

The hoist set me on the floor in front of her an instant before I fell through and made a crater ten feet deep in the cellar. They are good people in Kehoe and they dug me out by nightfall, and tonight there is to be a town meeting about me. The question is whether to house me in a town institution called The Kehoe Booby Hatch or mail me collect to the Civil Defense authorities in Washington. How quaint the rural folk are.

New York Times Service

The Wick Whirlwind

By Elisabeth Burniller
Washington Post Service

WASHINGTON — Charles Z. Wick likes to travel first class. When he schedules business trips, he has his office tell the airlines, the car rental companies and the hotel managers that he's a close friend of Ronald Reagan's. When he appeared on a Washington talk show, he volunteered to the television staff that his suits are made for \$200 each on London's Savile Row.

Wick is director of the U.S. International Communication Agency, the global information machine that is one of the most sophisticated instruments of U.S. foreign policy. In the last year, it has become a messy cauldron of resignations and allegations. Recently the ICA ombudsman Wick appointed resigned and told an *oversight commission* that Wick is a bad manager and that there is fraud and corruption in the agency. Wick responded by saying that the ombudsman, multimillionaire trucking executive Arthur Imperatore, "had a very strong disappointment that he was not accorded a position of running all aspects of the agency."

He raised \$15 million for Reagan's 1980 campaign, and acquaintances say he has told them that "I got the president elected." He has flown the Concorde twice at ICA expense, getting an exception to government guidelines, because he says he had to make tightly scheduled meetings.

Wick's desk at the ICA, a five-minute walk from the White House, faces a huge world map. Tiny lights mark the cities with ICA posts. "Hi, fella," he says to a Newsweek story that quoted

tories says that Wick, 64, pushes his pet projects by relentlessly phoning the White House, and if he doesn't get results, he goes straight to the president.

"I think I was much more subtle years ago," he says, responding to these stories. "But as you deal with people, you learn that you can't be just a little bit pregnant. Being nice, you can't operate. You've got to blast through."

Blasting through may not be what would best qualify someone to serve as director of the ICA. It is parent to the Voice of America, the broadcasting arm that beams news, music and commentary in 39 languages to a worldwide radio audience. Wick thinks of himself as a "rugged entrepreneur" whose primary job is to market America, and says his limited knowledge of foreign affairs is "totally irrelevant."

He raised \$15 million for Reagan's 1980 campaign, and acquaintances say he has told them that "I got the president elected." He has flown the Concorde twice at ICA expense, getting an exception to government guidelines, because he says he had to make tightly scheduled meetings.

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